

Agricultural

Outlook

AO-50 December 1979

U.S. Department of Agriculture
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December 1979/AO-50

- 1 **Outlook in Brief**
The economy is expected to be sluggish through the first half of 1980 . . . business investment will also be under pressure . . . the recession will not have much of an effect on the demand for farm products.
- 2 **General Economy**
The Fed's new tight-money policy is having an effect on the economy as commodity speculation levels off and precious metal prices are stabilizing . . . real personal income has dropped for the past two quarters.
- 4 **Food and Marketing**
Food prices are expected to increase about 8 percent next year . . . the 1979 average was about 11 percent . . . the farm value of domestically produced food is expected to rise only slightly.
- 6 **Agricultural Economy**
Farm output was up 6 percent in 1979, reflecting increased acreage and yields . . . 1980 acreage is expected to remain about the same as 1979.
- 7 **Commodity Highlights**
Wheat prices remain strong despite a near-record supply . . . but the record soybean harvest did have a downward effect on prices of that commodity . . . imports of fresh vegetables continue to rise.
- 10 **World Agriculture and Trade**
Wheat production in the Southern Hemisphere will be down about 6 percent . . . Australian wheat production is also likely to be somewhat lower . . . the rapid expansion in U.S. agricultural trade should continue in 1980.
- 13 **Food and Agricultural Policy**
Changing conditions will require new farm legislation, as was the case at least three times during the 1970's.
- 15 **Recent Publications**
Recent USDA reports, arranged by subject matter, that might be of interest to Agricultural Outlook readers.
- 16 **Statistical Indicators**
Key data series for the food and fiber sector.

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Outlook in Brief

The economy has shown several signs of weakness in recent weeks, reinforcing expectations for a sluggish economy through the first half of 1980, and slow recovery starting in the second half.

Auto sales and new housing permits have been down in the last month. Decreased activity in these industries will result in direct layoffs and will in time cause some unemployment in the supplying industries.

Per capita real disposable income has been declining since the first quarter of 1979. Increased unemployment will mean even less disposable income and likely will cause consumers to spend more cautiously.

Business investment also will be under pressure during the first half of 1980. The present level of interest rates is discouraging both borrowing for investment and raising equity capital through sale of new stock issue. Thus, retained earnings will be the major source of investment funds; however,

profits generally have been eroding in recent months.

The new monetary policy adopted by the Federal Reserve Board in early October caused an immediate upsurge in interest rates, with the greatest response in short term rates. By the end of November, some results were becoming evident, and short-term interest rates were beginning to show signs of weakening.

The sluggish outlook for the general economy is not expected to have a large impact on the domestic demand for farm products. As unemployment increases, some adjustments in consumer buying will occur. However, with a few exceptions, these changes will not have a serious impact on the domestic demand for food.

More important to farm prices and incomes in 1980 will be crop production around the world. At the present time, record domestic supplies of a number of

crops are moving into market channels at prices significantly above year-earlier levels. This is due to strong export demand.

By next spring, 1979/80 grain and oilseed crops from the Southern Hemisphere will start moving to market. The size and quality of these harvests will have an important bearing on export demand for U.S. products.

Based on present supply conditions, the farm value of domestically produced foods is expected to average only slightly higher in 1980 than during 1979. However, rising costs of labor, packaging materials and energy will add about 10 percent to the cost of processing and distribution in 1980. Consequently, retail food prices likely will average about 7 to 11 percent higher in 1980 with the current assessment indicating an increase of 8 percent.

The sharp increase in retail food prices that occurred during the first half of 1978 and 1979 is not expected to be repeated in 1980. Record levels of meat and poultry will be available during the first half of 1980. The record soybean crop will ease the price increases for fats and oils. Large supplies of processed vegetables and a record orange crop plus a large carryover of frozen concentrate orange juice will moderate prices for fruits and processed vegetables.

The 1979/80 wheat crop for the Southern Hemisphere is forecast to total 29 million tons, down 6 percent or 2 million tons from last year, reflecting mainly a smaller Australian harvest. Excellent growing conditions resulted in a record wheat crop of 18.3 million tons in 1978/79.

Coarse grain production in the Southern Hemisphere is forecast at 52.1 million tons for 1979/80, about 10 million tons more than last season. This increase in production is expected in Brazil and Argentina where crops were curtailed by drought in 1978/79. The 1979/80 soybean harvest in Brazil and Argentina is forecast at 18.7 million tons, an increase of 26 percent over the 1978/79 harvest of 14.8 million tons.

USDA'S POTATO STATISTICS PROGRAM MODIFIED

Future potato statistics reports published by USDA's Crop Reporting Board will be modified to provide growers and other industry members with additional and more timely information.

USDA, working with the National Potato Council, developed the following improvements to the statistical series:

—The fall potato stocks estimating program will include a report of potatoes on hand as of May 1 each year. This year's report will be issued on May 10.

—The first estimate of fall crop acreage for harvest, formerly published in the August Crop Production report, will be released a month earlier in the report to be published July 11.

Land Ownership Report Released

About 40 percent of the U.S. land area of 2.3 billion acres is owned by Federal, State, and local governments, according to a preliminary report of a U.S. land ownership survey conducted by the U.S. Department of Agriculture's Economics, Statistics, and Cooperatives Service.

Although 60 percent of the land is in private hands, half of it is held by only 1 percent of the landowners. Ownership of farm and ranch land is less concentrated with 1 percent of owners holding about 30 percent of the land.

The survey report, entitled "Who Owns the Land," covers private farm and ranch land, other rural land, and urban land. ESCS will analyze the survey data to help the public better understand how decisions made by landowners affect the public as a whole.

A copy of the report may be obtained by writing to: ESCS Publications, Room 0054, South Building, USDA, Washington, D.C. 20250 and asking for ESCS 70.



General Economy

The Federal Reserve Board's new policy of tight money appears to be having an effect: speculative activity in the commodity markets has leveled off, and prices of precious metals are stabilizing. The U.S. dollar gained some strength on world markets recently, particularly against the yen. Moreover, the consumer spending binge appears to be over, and the real Gross National Product (GNP) is expected to have declined in the fourth quarter.

The brunt of the predicted recession should hit in the first half of 1980, with a slow recovery during the second half. The recession is expected to be milder than the downturn of 1974-75.

Real Consumer Income Declining

Real personal income has dropped for two consecutive quarters and probably will continue to drop until the second half of 1980. Because of this, consumer demand likely will be weak. Further, unemployment is expected to rise. This could ease inflationary pressures, but it would also deepen the recession. On the other hand, if

consumers choose to spend rather than save, the recession will be mild but inflationary pressures would remain strong. The personal saving rate is now at its lowest level in more than a quarter of a century, which leaves the consumption component of the GNP in a vulnerable position. If layoffs continue over the winter, consumers likely would cut spending.

The Auto Industry and the Economy

The U.S. auto industry often acts as a barometer for the general economy. When auto sales decline, for example, aftershocks are felt in the various support industries, such as steel, rubber, glass, and electrical equipment. National unemployment goes up, cutting auto sales even further.

Industrial analysts now say 1980 auto sales likely will fall to about 9.6 million units, compared with 10.5 million this year and 11.3 million in 1978. The foreign car share of the U.S. market probably will be about 21.5 percent in 1980, compared with 21 percent in 1979 and 17.8 in 1978.

The 1979 third quarter strength in auto sales was based on automakers' rebate sales promotions and a buy-ahead consumer psychology, rather than on any underlying strength in personal income. Data for October and November confirm that the economy had been borrowing strength from the future. Sales of new 1980 models are down significantly for all but the most fuel-efficient subcompacts. However, there is still a strong underlying demand for autos, because of the need for replacements and a desire for more fuel-efficient cars. Unfortunately, automakers are not flexible enough to change production plans in the middle of the model year. For automakers, profits are down considerably and widespread layoffs are expected to continue.

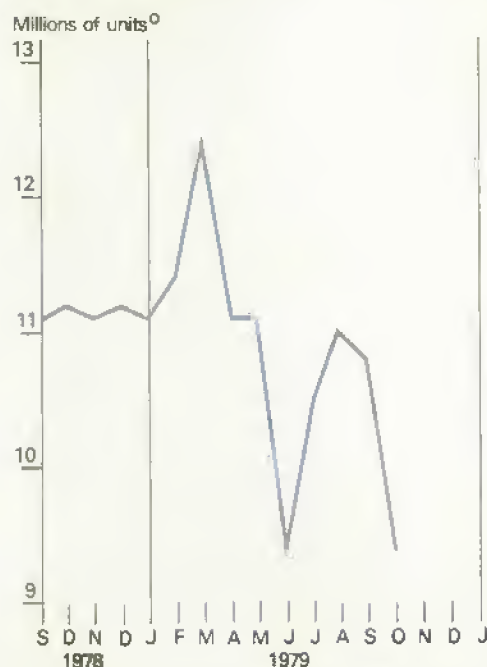
Housing Starts Down

Housing starts are likely to bottom out at around 1.3 million units (annual rate) during the first half of 1980, and total less than 1.5 million for the year. This will be down from the 1.7 million units expected in 1979 and the 2 million units in 1978.

Housing starts are a key economic indicator that should be watched over the winter. The construction industry, in addition to being a major source of employment, provides an important demand for products from many other industries. Moreover, sales of household appliances and furniture are sensitive to new housing starts.

High interest rates this summer did not significantly curb housing demand because mortgage rates were still below the expected

Automobile Sales by Month



°Retail sales, new passenger cars, seasonally adjusted annual rate.

rate of inflation. But that has changed now as mortgage money is hard to find even at high interest rates.

Investment Tied to Profits

According to reported intentions, businesses plan to invest more in 1980. However, this will hinge on available funds. Declining productivity indicates the need for more capital stock. Usually, more than half of investment money is generated through retained earnings, while the rest comes from bank loans or through stocks and bonds.

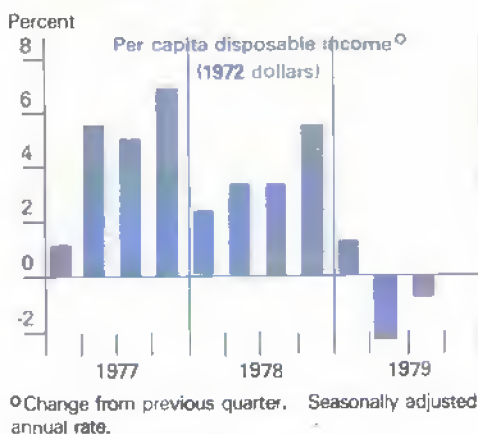
With high interest rates, such external financing is likely to be postponed, leaving profits as the major source for investments.

Except for a few selected industries such as petroleum and banking, corporate profits have shown little real strength in 1979. If profits continue to erode, investment plans likely will be changed in 1980. High levels of planned investment disappeared when corporate profits declined during the 1974-75 recession, and the same could happen again.

Export Outlook Strong

The net export picture improved in the third quarter, paced by a \$1.9 million increase in agricultural exports. The U.S. economic slowdown should curb imports, so the 1980 outlook is for an improved balance of trade. However, there are two risks associated with this potential trade outlook. The first is that a significant OPEC price increase would lead to a higher dollar volume of oil imports. The second is a probable world economic slowdown which could turn into a world recession and cut into U.S. non-agricultural exports. However, the market for U.S. agricultural exports should remain strong through 1980, subject to world supply conditions.

Real Income Declining



Farming Update

Have you heard about the FARMERS' NEWSLETTER? It's a free service from USDA to give farmers the hard facts and figures needed to make production and marketing decisions... without giving advice... or governmental recommendations.

It comes to you in six different editions serving producers with special interests: Wheat; Feed Grains; Livestock; Soybeans; Cotton; and General, covering such topics as real estate, taxes, and exports. You can get any or all of the newsletters by writing: Farmers' Newsletter, USDA, ESCS Information, Room 0005-S, Wash., D.C., 20250.

Crop Rotation May Become Popular Again

Higher fuel costs and other farm expenses may help make "old-fashioned" crop rotation practices popular again. The use of crop rotation has dropped 20 million acres in the last decade as many farmers switched to planting continuous cash crops when fuel and petroleum-based fertilizers were plentiful. Now, with fuel and fertilizer prices high, many farmers may return to rotation practices. A rotation system including alfalfa could reduce nitrogen application in many parts of the Corn Belt by as much as 50 pounds per acre, a 20-percent savings in nitrogen costs on the first corn crop after alfalfa.

Foreign Agriculture Circulars

USDA'S Foreign Agricultural Service issues a number of Foreign Agriculture Circulars at irregular intervals during the year on various commodities and export services for the food and agricultural trade. These circulars are distributed without cost to U.S. residents. If you wish to be placed on the mailing list for any of these reports, you should write to: Foreign Agricultural Service, Information Division, Information Services Staff, Room 5918 South, U.S. Department of Agriculture, Washington, D.C. 20250.

Titles

- Oilseeds and Products
- Grains other than rice
- Livestock and Meat
- Cotton
- Coffee
- Dried Pulses
- Processed Fruits
- Fresh and Processed Citrus Fruits
- Cocoa
- Dairy
- Fresh Deciduous Fruits and Grapes
- Dried Fruits
- Hops
- Tree Nuts
- Poultry and Eggs
- Rice
- Seeds, Field, and Vegetable
- Sugar
- Tea and Spices
- Tobacco
- Vegetable Fibers
- Wool
- Honey
- Fresh and Processed Vegetables
- Table Olives
- Strawberries and Other Berries
- Tropical Fruits



Food and Marketing

Retail food prices will average near 11 percent higher in 1979 than in 1978 and are expected to rise 7 to 11 percent in 1980, with the current assessment indicating an increase of about 8 percent.

The farm value of domestically produced foods is expected to average only slightly higher in 1980 and will be the primary moderating effect on retail food prices. Farm-to-retail price spreads are expected to average about 10 percent higher next year.

Much of the rise in retail food prices will reflect expected higher marketing changes.

Modest Food Price Changes Expected

The quarterly pattern of retail food price changes in 1980 probably will differ significantly from that of 1978 and 1979. Rather than having sharp food price rises in the first half of the year, more moderate increases are expected through the middle of 1980 due to three factors:

- Record levels of red meats and poultry will be available in the first half of 1980. With the largest supplies being marketed in the second quarter, meat and poultry prices are likely to stabilize as declines for pork and poultry offset rising beef prices. Pork production will probably continue at near-record levels. Poultry production will

continue above year-earlier levels in the first quarter. In the second quarter, production will increase seasonally but may only match year-earlier levels. Beef production will be stable in the first half of the year.

Production in the second quarter may be above year-earlier levels for the first time in 3 years.

- Supplies of many field crops, fruits, and vegetables are large and will have a moderating effect on retail prices into 1980. Most notably, the record soybean crop will ease price increases for fats and oils. The record orange crop, coupled with a large carryover of frozen concentrate orange juice, will moderate both fresh and processed fruit prices. Also, large supplies of processed vegetables will keep those prices in check through the middle of the year.

- Current indications are that the economy will be sluggish in the first half of 1980. Rising unemployment and falling real incomes will slow demand for food. In particular, slackening consumer demand for the more expensive cuts of meat and for food away from home is expected to have a moderating effect on prices for those foods.

Retail Food Price Increases Slow in October

The Consumer Price Index (CPI-U) for food rose 0.8 percent from September to October on a seasonally adjusted basis. Food prices in retail stores rose 0.7 percent, significantly less than the 1.1-percent increase in September. However, prices for

food away from home rose 0.9 percent, compared with 0.6 percent in September. The October all-food index was 9.9 percent higher than in October 1978.

The major causes of the October increase were higher prices for beef, fresh vegetables, and food away from home. These were partially offset by declines for poultry, eggs, and fresh fruits.

The cost of food at home rose 0.3 percent on an unadjusted basis in October. The farm value of the market basket fell 2.2 percent and continued to moderate food price changes. Prices for fish and imported foods rose 0.9 percent.

The farm-to-retail price spread rose 1.7 percent in October after falling the previous months. Much of this was due to a pass-through of higher energy costs, which increased the packaging material costs, rail freight rates, and motor transit charges. The farm-to-retail price spread increased at an annual rate of 14.9 percent during the first 10 months this year, compared with a 13.5 percent annual rate for the total CPI over the same period.

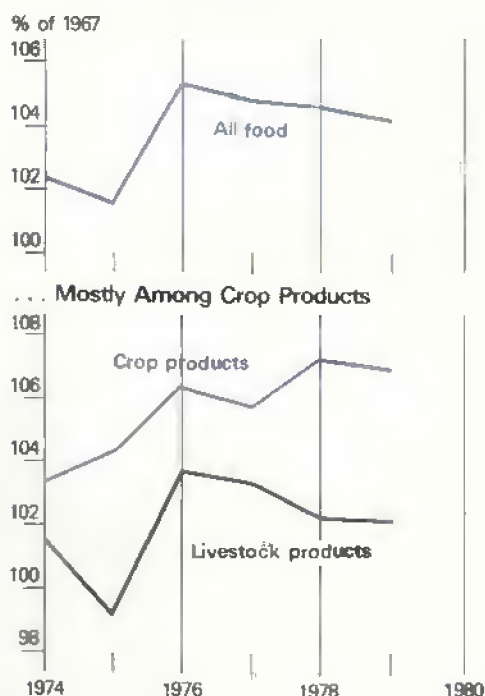
Per Capita Consumption

Based on preliminary data, it appears that overall food consumption per capita declined 0.4 percent in 1979. Pork and poultry consumption increased slightly offsetting a decline for beef. Per capita consumption of crops declined 0.6 percent.

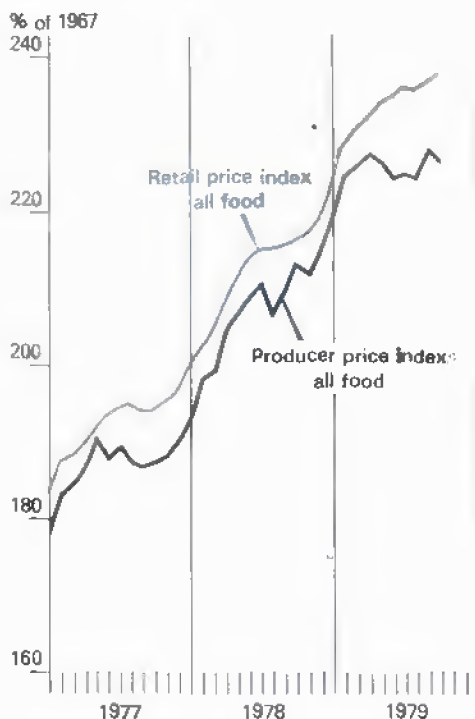
Changes in food consumption patterns were caused by economic conditions, weather variations, changes in diet, and cyclical changes in beef and pork production.

Even though per capita disposable income in current dollars increased slightly over 10 percent in 1979, real purchasing power rose only about 1 percent. Retail food prices were up about 11 percent.

Per Capita Food Use
Down Slightly in 1979 . . .



Food Price Rise Slowing



Less Beef, More Pork and Poultry

Beef production was high during 1975-78 due to the liquidation phase of the cattle cycle. However, in 1979, production was sharply curtailed as the cattle industry began herd rebuilding, causing retail beef prices to rise 28 percent over 1978. Consequently, per capita consumption of beef declined 11 percent from 89.2 pounds (retail weight) in 1978 to about 79 pounds in 1979.

The decline in beef production was partly offset by a cyclical increase in pork production. A larger hog inventory in 1978 caused a significant upswing in slaughter during 1979. Large supplies and favorable prices of pork caused per capita consumption of pork to rise about 14 percent, from 56.8 pounds (retail weight) in 1978 to about 65.1 pounds in 1979. Most of the increase in pork production and consumption occurred primarily during the last half of the year, and pork prices have averaged significantly lower than a year earlier.

The strong market for beef also strengthened the demand for poultry products. Poultry prices increased an average of 4.5 percent in 1979, signaling a boost in production. Consequently, poultry prices declined in the second half. Per capita consumption for the year increased about 9 percent, from 59.1 to 62 pounds.

Fish consumption moved up 2 percent in 1979, continuing a trend that started in 1978—prices climbed about 10 percent.

Dairy Products

Dairy product prices advanced about 11 percent in 1979. Consumption of cheese and low-fat milk increased, but a decline for whole milk reflected major shifts in dietary patterns that began several years ago.

Cheese consumption reached near 18 pounds per capita in 1979, a record high. In the past 10 years cheese consumption has increased 63 percent. Consumption of these cheeses increased in 1979: American, 3 percent; Swiss, 7 percent; cream, 11 percent; soft Italian, 6 percent; and miscellaneous varieties, 10 percent. Cheese is being used more frequently as a main dish and source of protein. In addition, it is included in many fast food items, such as pizzas and burgers, and the rise in fast food outlets has brought a parallel increase in cheese consumption.

Total per capita consumption of fluid milk and cream declined almost 1 percent from 285.9 to 284.2 pounds. Fluid whole milk consumption was down almost 4 percent, from 180 to 173 pounds; fluid cream down about 2 percent; and fluid low-fat up 5.4 percent, from 100.2 to almost 106 pounds.

More Low-Fat Consumed

Consumption of fluid whole milk has decreased 28 percent over the past decade, from 241 pounds per person in 1969 to 173 pounds this year. Fluid cream consumption has remained steady for the past 10 years with an average consumption of 5.7 pounds per person. Low-fat milks, including buttermilk and all low-fat fluid items used in flavored drinks, have jumped 96 percent over the decade, from 53.9 to about 106 pounds per person.

Ice cream and other frozen dessert consumption declined 3 percent in 1979 from 27.8 to 27 pounds per person. Ice cream consumption has remained around 17.5 to 18 pounds per capita with a peak in 1975 of 18.7 pounds.

Butter consumption remained the same in 1979, 4.5 pounds per person, although this was down from 5.4 pounds in 1969. Consumption has been steady at 4.4 to 4.5 pounds in the past 4 years.

Total per capita consumption of fats and oils increased about 3 percent in 1979, mainly due to a rise in margarine and shortening consumption.

Fruit and Juice

Per capita fresh fruit consumption declined from 83.9 to 83 pounds in 1979. The decline was led by a 6 percent drop in fresh citrus consumption, from 26.5 to 25 pounds. Because of the December-January freeze in California and Texas, fewer oranges were available for sale on the fresh market. Most oranges harvested from these States went to processing plants, thus increasing supplies of frozen concentrated orange juice (FCOJ). However, more Florida citrus fruits sold on the fresh market than usual.

Per capita consumption of FCOJ increased 10 percent in 1979, following a 1978 decline, and chilled citrus juice consumption rose 3 percent. Fresh citrus consumption has declined 12.3 percent since 1969, while frozen citrus juice consumption has increased 62 percent.

Apple consumption held steady at about 17 pounds per person in 1979, while other noncitrus fruit increased near 2 percent, from 40.4 to 41.1 pounds. Bananas and peaches also contributed to the increase. Consumption increased over the past decade, peaking in 1976 and remaining stable since then. Other noncitrus fruit consumption has steadily increased, from 36.2 in 1969 to 41 pounds this year.

Canned fruit consumption held level near 19 pounds per person in 1979. Prior to this year, consumption had trended downward since 1969. Canned fruit juice consumption repeated the record high of more than 17 pounds per person reached last year.

Cereal and Bakery Products

Per capita consumption of wheat flour, including that used by commercial bakeries, dropped 3 percent, from 115 to 112 pounds. Per capita consumption of sugar (raw basis) declined 1 percent, from 93.1 to 92 pounds. Although actual data are unknown, cereal and bakery product consumption has been declining based on the use of these raw materials. In 1979, prices for cereal and bakery products, as indicated by the CPI, have increased about 10 percent, while prices for sugar and sweets have increased 8 percent. Corn, oats, and barley consumption remained stable at 94.4 pounds, 7.0 pounds, and 1.9 pounds, respectively.

Coffee Use Increases

Per capital coffee consumption increased 9.5 percent in 1979, from 10.5 to 11.5 pounds (green bean equivalent). Tea consumption remained at 0.74 pounds per person.



Agricultural Economy

Farm output in 1979 was up 5 percent from last year, according to preliminary figures. Increased hog, poultry, and milk output more than offset a decline in cattle production. Crop production appears to be about 9 percent above year-earlier figures. Feed grains and oil crops reached record levels, and food grains, hay, and forage crops probably will equal previous records. Tobacco production declined 20 percent, and sugar was off 8 percent.

Despite another late planting season in many areas, farmers used 11 million more acres of cropland than in 1978. In addition, yields rose an average of 6 percent and record yields are likely for 12 of the 20 major field crops.

Corn yields, at 109 bushels per acre, surpassed the 100-bushel figure for the second straight year. Farmers accomplished this by applying an average of 11 more pounds of nitrogen per acre this year and narrowing row spacing to add more plants.

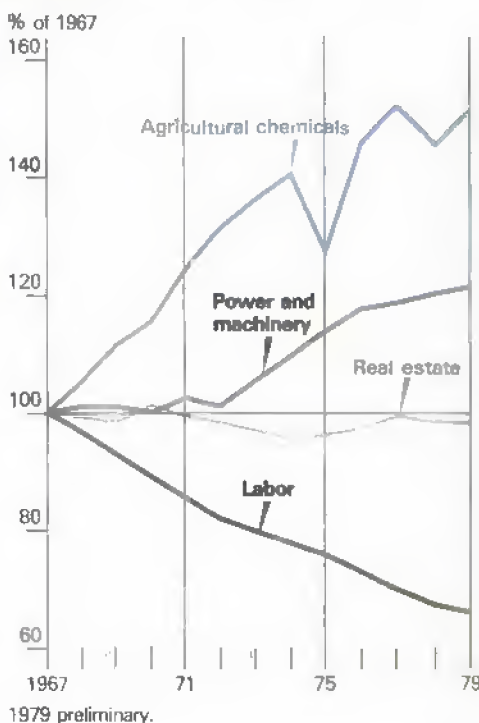
Farm productivity has increased 25 percent in the past two decades, while the level of inputs remained about the same. Farm labor numbers are down slightly, but

output per hour is at an alltime high mainly due to bigger and more efficient farms and equipment.

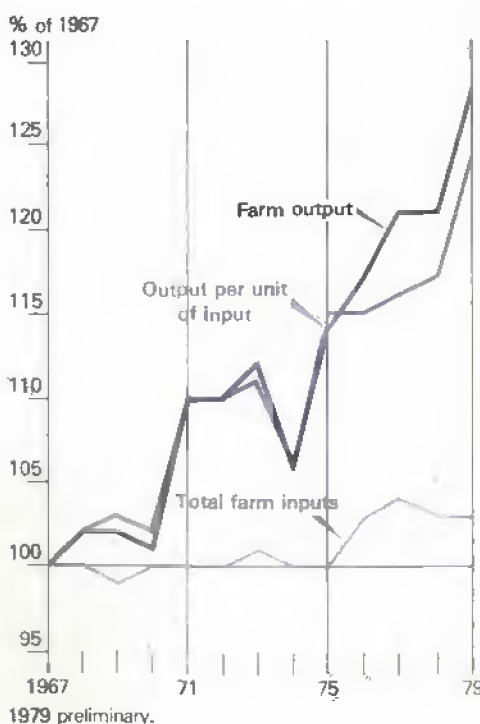
U.S. farmers continue to use less but larger machinery. The number of tractors on farms in January 1979 was 4.4 million, the lowest since 1955. Total tractor power, however, increased to a high of 243 million horsepower, compared with 153 million in 1960.

Use of agricultural chemicals rose this

Use of Selected Farm Inputs



Farm Productivity



year because of a 9 percent rise in fertilizer use. Fertilizer use per acre increased nearly 6 percent, helping account for the record yields of many crops.

U.S. Team Reports On Soviet Mixed Feed Industry

The Soviet Union is undertaking a rapid development program for the production of mixed feed, according to a U.S. study team which returned from the USSR. Production of mixed feed in the USSR was 60 million metric tons in 1978, with goals of 68 million tons in 1979 and 77 million tons in 1980. The goal for 1985 is 100 million tons.

The Soviet mixed feed industry began in 1965. Its development is following two major tracks: production in state plants under the Ministry of Procurement, and production in inter-farm plants under the Ministry of Agriculture.

Production in Procurement plants was 46 million tons in 1978, with goals of 48 million tons in 1979, 53 million tons in 1980, and 70 million tons in 1985. These plants are larger than inter-farm plants and will concentrate on production of more complex formulas.

Inter-farm plants, under the Ministry of Agriculture, will mix local grain supplies with protein/vitamin supplements supplied by the Ministry of Procurement plants to produce simpler formula, primarily for cattle and hogs. Output of these plants was 14 million tons in 1978, and the goal for 1979 is 20 million tons. Targets for 1980 and 1985 are 24 and 30 million tons, respectively.

A major problem in Soviet livestock feeding is the supply of protein materials. The efficiency of feed conversion is low, and much grain is fed with little or no protein supplementation. The Soviets are making determined efforts to increase protein supplies, through the use of materials such as grass meal, urea, and yeast. In the opinion of the study team, however, these efforts are likely to be inadequate if announced goals are to be met.

A second major problem appears to be the building of milling capacity. The Soviets have not met their construction goals for feed plants in recent years.



Commodity Highlights

Wheat: This year's near-record supply of more than 3 billion bushels has not dampened the early-season price strength. Encouraged by increased export sales, a delayed harvest, logistical disruptions in competing exporting countries, and prospects for reduced carryover stocks at yearend, farm prices held around \$3.80 a bushel through harvest — about \$1 above a year ago.

Prices may ease later in the marketing year if the 1980 wheat acreage is larger than expected and weather is favorable. However, for the year, prices are estimated to average \$3.60–\$3.90 per bushel, up sharply from \$2.94 in 1978/79.

Despite domestic transportation and loading problems, wheat shipments totaled more than 500 million bushels during June to September — a level exceeded only during 1973/74.

Significant moisture in the Wheat Belt since mid-October has greatly improved prospects for the 1980 crop.

Rice: The 1979 crop is forecast at a record 139.6 million cwt., up 6 million from 1978. The total 1979/80 supply of 171 million cwt. is 10 million above 1978's record level.

Declining sales to principal Middle East and African markets lowered the 1979/80 rice export forecast from 83 to 79 million cwt., still a record high.

Despite the large supply, expanded domestic use and exports have kept early-season farm prices at around \$10 per cwt., more than \$2 higher than a year ago. The projected 1979/80 average farm price is \$8.75 to \$9.75 per cwt., compared with \$8 in 1978.

Soybeans: U.S. supplies for the 1979/80 marketing year are a record 2.4 billion bushels, about 19 percent more than last season. Farmers planted 71.5 million acres, up 7.5 million from 1978 and yields reached a new high of 31.8 bushels per acre compared with 29.5 bushels a year ago. Harvest was nearly complete by mid-November, with only the Southeastern States lagging significantly.

Soybean prices to farmers dropped — from \$7 in August-September to about \$6 in November — under the combined pressure of the record harvest and grain transportation difficulties. These factors were also responsible for a wider-than-normal price spread between farm and central markets. Some seasonal price rise is expected from this fall's low into next spring, depending partly on the size of the South American soybean harvest.

Demand for soybeans and products will continue strong in 1979/80, and American farmers are the only producers with large quantities to sell until South American soybeans enter world markets next spring.

Soybean crushings are expected to total 1.1 billion bushels, compared with 1.02 billion in 1978/79. Slightly lower meal

prices and large hog and poultry production (mostly in October-March) indicate an increase in soybean meal feeding. The October soybean crush reached a record 96 million bushels, about 9 percent above October 1978. The first quarter 1980 crush likely will reach the 290 to 300 million-bushel-level, compared with 275 million processed in October-December 1978.

Soybean exports are estimated at around 800 million bushels — a new high — further growth in meal and oil demand overseas, will provide the impetus. Soybeans inspected for export September 1 through November 29 totaled 228 million bushels, slightly ahead of the year-earlier pace. Western Europe, Japan, China, Taiwan, and the USSR are major importers of U.S. soybeans. The pace in U.S. soybean exports is expected to quicken in the months ahead and remain well above year-earlier levels.

Fresh Vegetables: U.S. imports continue an upward trend, and could reach a new high this year. Imports for the first three quarters totaled 19.3 million cwt.

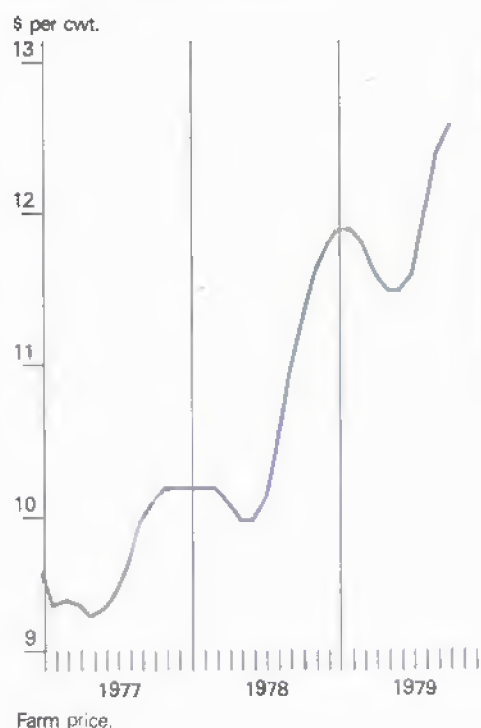
In 1968, 10 million cwt. of fresh vegetables, including melons, were imported, reaching 15.1 million cwt. by 1972, 17.4 million cwt. in 1976, and an alltime high of 23 million in 1978. During those years, the leading imported fresh vegetables were tomatoes, cucumbers, peppers, onions, turnips, squash, and carrots. Melons also were important.

On an annual basis, tomatoes were by far the most important — accounting for 32 to 40 percent of U.S. imports of fresh vegetables and melons. Melons comprised about 20 percent, cucumbers from 8 to 13 percent, peppers and onions about 7 percent, turnips, squash and carrots each usually under 5 percent.

Mexico is the leading source of our imported fresh vegetables, accounting for virtually all the tomatoes and squash, and about 95 percent of the green peppers and cucumbers. Canada is the most important source of carrots and turnips.

Processed Fruit: The 1979/80 pack of most canned noncitrus fruit is expected to be larger than last season, led by increases in apricots, fruit cocktail, peaches, mixed fruit salad, and sweet cherries. However, because of a smaller tart cherry crop in Michigan, the leading producer, the pack is moderately smaller than a year ago. Supplies of most

Farm Milk Prices



canned fruit are expected to be moderately above last year despite a sharply smaller carryin at the beginning of the season.

Carryover stocks of canned apples and applesauce were smaller than a year ago, but the relatively large apple crop in several areas will assure adequate supplies.

The Bureau of Labor Statistics wholesale price index for canned fruit has steadily advanced since last May to a record high 222.4 (1967=100) in October, 8 percent above a year ago. Even with moderately larger supplies, prices of canned fruit are expected to remain relatively high reflecting increased raw product and processing and marketing costs including tinplate, labor, and transportation.

Sugar: U.S. imports during January-September totaled 3.65 million short tons raw value (rv), 10 percent above imports for the same period a year ago. For the year, imports are estimated at 5 million tons, up about 6 percent from last year's relatively low level. Tight credit and high interest rates have discouraged greater imports and stock buildup. As of September 29, mainland sugar stocks totaled 1.9 million tons (rv), down 153,000 tons, or 8 percent from last year. Refiners' stocks of 507,500 tons were less than one-half the 1978 end-of-September level.

U.S. sugar deliveries through November 10 totaled 9.40 million short tons, about 100,000 less than last year. Calendar 1979 deliveries are estimated at 10.7 million tons, versus 10.89 million in 1978. Shipments of corn sweeteners for food use are expected to exceed 4 million tons (dry basis), or 15 percent above 1978.

Wholesale and retail refined sugar prices continue to be relatively stable, up less than 3 percent since January. U.S. wholesale prices averaged 18.8 cents a pound in October while retail prices averaged 25 cents a pound. Higher refined sugar prices can be expected as world raw sugar prices have risen rapidly in the last 3 months. The domestic raw price (Contract No. 12, landed N.Y.) rose from 15.72 cents a pound in September to an average 15.93 cents in October, and 16.28 cents in November, reaching 17.3 cents on November 30. The world price (contract No. 11, f.o.b. Caribbean) increased

from an average 9.80 cents a pound in September to 11.93 cents in October, reducing the import fee on raw sugar to zero on October 24. The world price averaged 13.69 cents a pound in November, reaching 14.93 cents on November 30.

Rising world sugar prices reflect the combined impact of an anticipated deficit of 3 million metric tons in 1979/80 production, logistics problems, and uncertainty about market policies in major sugar exporting countries. World sugar stocks will remain high (more than 30 percent of 1979/80 consumption) and concentrated among a half-dozen exporting countries whose policies could have a material impact on prices.

Cotton: U.S. export potential has increased dramatically this season due to low foreign carryin stocks, continued expansion in foreign mill use, and a huge increase in domestic production. Exports are now projected at 6.8 million bales in 1979/80, up from 6.2 million last season. Currently, the U.S. export commitment totals 7.1 million bales, about 2 million above a year-earlier. Sales to China total 1.7 million bales, compared with shipments of 648,000 during 1978/79.

Exports could exceed 6.8 million bales if foreign consumption remains strong during the next 6 months and China continues to purchase U.S. cotton. However, there is some belief within the trade that the maximum possible shipment is between 6.8 to 7.0 million bales. So, while total U.S. export sales could reach 8 million or more bales this season, exports are not likely to exceed the 6.8-million-bale forecast. However, the unshipped balance on August 1, 1980, could exceed the 0.9 million bale export carryover last August. This possibility combined with a further drawdown in foreign stocks, should keep U.S. exports at a high level during 1980/81.

Tobacco: Burley auctions opened November 19, with higher grade prices and slightly lower quality. A record general price average was set. Loan volume was negligible. Sales were scheduled through December 18, and to resume January 7. Baled tobacco may be sold at any time this season and carries the same price support as tied.

Sales during the first two weeks averaged \$1.44 per pound, 9 percent above a year ago. Loan rates for the 1979 crop range from 88 cents to \$1.49 per pound. The average support is \$1.33 per pound, representing an increase of 8.6 cents over a year-earlier. By the end of November, the

burley cooperatives had sold about 60 percent of their carryover from previous crops and only 57 million pounds remained on hand.

The national flue-cured marketing quota for 1980 was set on November 23 at 1,095 million pounds, the same as 1979's level. It is expected that undermarketings from the 1979 crop will exceed overmarketings by 85 million pounds, making the 1979 effective quota about 1,180 million pounds, 10 percent larger than the 1979 effective quota. Flue-cured tobacco growers will vote December 18 to decide whether marketing quotas and price support will continue in effect for the next three tobacco crops.

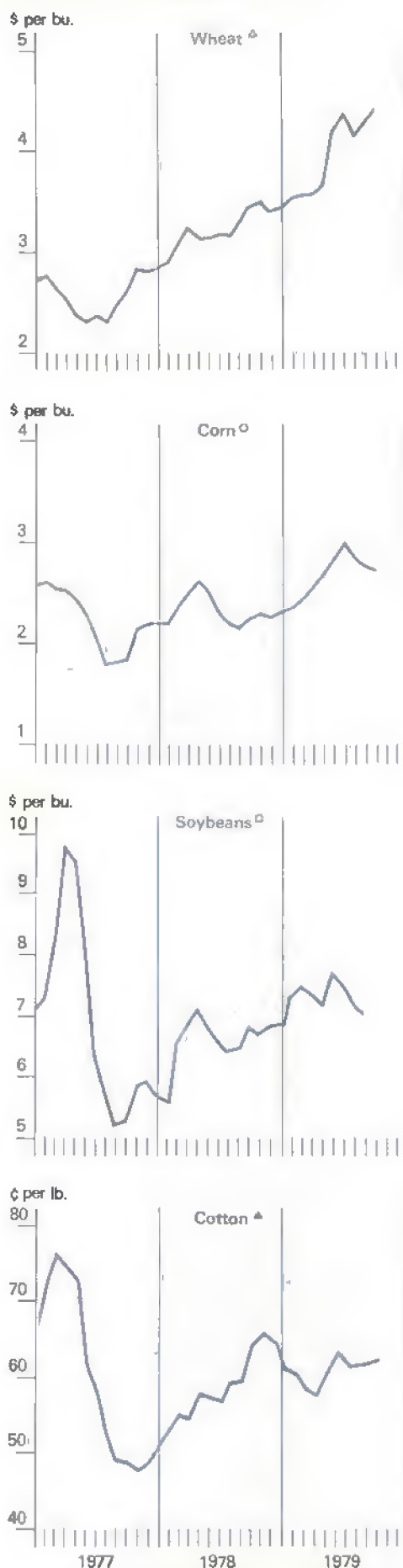
Cattle: Fourth quarter beef production will average about 12 percent under year-earlier levels. Reduced slaughter is being offset by heavier weights because of an increased proportion of fed cattle in the mix. Dressed weights under Federal inspection for October averaged 648 pounds, compared with 625 pounds in 1978.

Choice fed steers at Omaha were expected to average about \$67 in the fourth quarter, compared with \$65.81 during October, \$64 in early November, and \$67 in mid-November. However, slaughter weights remain heavy reflecting a slower marketing pace. Feeders continue to suffer losses and are apparently holding cattle back in anticipation of higher prices. However, increased pork and broiler supplies make any substantial price rise unlikely. Prices probably will increase some later in the quarter due to the reduced number of cattle placed on feed this summer. But prices will not increase as expected unless feeders begin to market their cattle at normal slaughter weights. In addition, many of the cattle entering feedlots this fall gained well on grass, which increased the placement weight. Feeder cattle supplies are adequate and placements probably will match fourth quarter 1978 levels. These cattle likely will be marketed after a shorter feeding period.

Hogs: Fourth quarter slaughter may be nearly 25 percent greater than a year ago and the second highest hog slaughter on record. Prices declined to the low \$30's during late October as hog slaughter increased, but rose to the upper \$30's during the November holiday period. Prices for hogs may average \$35 to \$37 per cwt. in the fourth quarter, well below the \$48 average of a year earlier.

For the year, about 89 million hogs will be slaughtered, 15 percent greater than last year. Prices for 1979 may average near \$42, about \$6 below 1978.

Grain Prices Rise from Harvest Lows



Δ No. 1 Hard Winter, Kansas City. ○ No. 2 Yellow, Chicago. □ No. 1 Yellow, Chicago. ▲ Spot Market, 1-1/16" SLM.

The substantial hog slaughter is expected to continue during the first half of 1980, with a 20 percent rise during the first quarter and a 12 to 14 percent increase in the second quarter. Prices are expected to average in the mid-\$30's during the first half of 1980.

Dairy: Milk production increases continued during October, although the rate of expansion slowed, and for 1979 the total will be about 123 million pounds. Production increases likely will continue during the first half of 1980 as milk-feed price relationships remain favorable. Heavy concentrate feeding will further boost output per cow. This will more than offset declines in cow numbers.

Year-to-year gains in the farm milk price will moderate under the combination of larger production and relatively less commercial stocks, along with a possible reduction in commercial use over the next few months. As a result, farm milk prices will average much closer to the support price than a year ago.

During the third quarter, commercial use of dairy products was slightly above a year ago. It is uncertain whether the economic slowdown will reduce commercial use. Wholesale prices of American cheese have declined since early October and both butter and cheese prices are now at or near their respective support purchase prices and should remain there during the early part of next year. Although retail prices of dairy products will rise in the next few months, increased milk production and abundant stocks will moderate the increase.

Broilers: Production was up 11 percent from a year earlier in the third quarter and is expected to average 8 percent higher in the current quarter. Broiler producers began losing money in the summer and are now in a severe price-cost squeeze. Thus, 1980 production will be down slightly with the largest drop during the second half. The 9-city wholesale broiler price declined early this fall before strengthening in November. This winter, broiler prices likely will remain near current levels and well below year-earlier levels.

Eggs: Production in the first half of 1980 is expected to be 1 to 2 percent higher than a year earlier. With large supplies of other protein foods, prices to producers likely will be substantially below early 1979 figures. In addition, higher feed prices will squeeze net returns in the first half.

ESCS Publications

USDA's Economics, Statistics, and Cooperatives Service publishes a number of statistical supplements, handbooks, and other periodicals which may be of interest to Agricultural Outlook readers. A brief description of several of these reports and their contents follows:

Agricultural Finance Review, annually reviews developments and research findings in agricultural finance and related topics. Signed articles report on issues related to farm and rural credit, financial management, insurance, income, agribusiness and financial institutions, rural government, taxation, and rural development. Includes book reviews.

Agricultural Finance Statistics, annual. A reference book of data pertaining to, or related to, the financing of U.S. agriculture.

Balance Sheet of the Farming Sector, biannual, usually issued in April and September. As of January 1, views the farm sector of agriculture as one large enterprise, and brings together individual series of farm assets and claims to those assets. Includes the value of farm assets owned, and farm debt owned, by landlords.

Farm Real Estate Taxes, annual. Reports, for States and regions, taxes levied on farm real estate, taxes levied per acre, index numbers of amount of tax per acre, the amount of tax per \$100 of full land value, taxes levied on farm real estate as a percentage of net and gross farm income, and taxes levied on farm real estate as a percentage of total personal income of farm population.

Changes in Farm Production and Efficiency, annual. Provides the latest information for appraising changes in production, changes in farm inputs and practices, improvements in labor productivity, and progress in farm mechanization. Data for the 10 farm production regions, formerly published as supplements to this publication, have been incorporated.

Farm Costs, Returns, and Efficiency Reports, compare costs and returns for major types of farming, and measure U.S. farm production and efficiency and livestock-feed cost relationships.

If you are interested in any of the above reports, write to: Publications Unit, ESCS Information, Room 0054 South Building, U.S. Department of Agriculture, Washington, D.C. 20250.



World Agriculture and Trade

Grain and oilseed production in the Southern Hemisphere has a direct, significant impact on the size and value of U.S. exports of oilseeds, oilseed products, and grains. And by affecting exports, it also influences U.S. farm prices and net farm income, mainly in the first half of the year as the Southern Hemisphere crops are harvested.

While grain crops in the Southern Hemisphere account for only 7 percent of world grain production, they supply almost a fifth of the wheat and coarse grains traded on the world market. Wheat production in the Southern Hemisphere is forecast to total 29 million tons in 1979/80, down 6 percent or 2 million tons from last year. Australian production is likely to be somewhat lower than last year when it totaled a record 18.3 million tons.

Coarse grain production in the Southern Hemisphere is forecast at 54 million tons, about 3 million tons more than last season. The increase is accounted for by Brazil and South Africa, where production is expected to recover significantly from the drought-reduced crops of 1978/79. However, much uncertainty still surrounds crop prospects in Southern Hemisphere countries this early in the production cycle.

Soybean production in the Southern Hemisphere, primarily in Brazil and Argentina, has increased very rapidly in the

past decade. In 1980, soybean production is forecast to total 18.7 million tons, compared with 14.8 million in 1979. Just 10 years ago, production amounted to only 1.6 million tons.

Wheat in Argentina generally was sown under dry conditions, and the crop was adversely affected by inadequate moisture until late August. Since September, rain and soil moisture generally have been adequate, and wheat production is likely to reach 8.0 million tons in 1979/80—about the same as the previous year. Argentine farmers are moving to more double cropping of wheat with soybeans. And although corn is being planted under ideal conditions, soybean production is also picking up in the main corn areas in 1979/80 because prices are favorable compared with grains. Favorable weather and higher cattle prices this year are encouraging Argentine cattlemen to reduce herd culling after 4 years of heavy slaughter. Beginnings in mid-1980, some crop areas may be used to carry more cattle to rebuild herds. Argentine wheat exports may decline slightly from last year's 4.1 million tons, and coarse grain exports may decline about 2 million to around 9.6 million tons.

Despite a substantially larger area of 800,000 hectares, (1 hectare = 2.47 acres) Brazilian wheat production may only increase marginally from last season's 2.7 million tons. Heavy rains, hail, and hot weather during September and October in Rio Grande do Sul and to a lesser degree in Parana and Santa Catarina have sharply reduced Brazil's wheat yields this year.

The corn and soybean crops were planted under more favorable conditions, and with an expanded area in production, 1979/80 output is forecast to total 18.5 and 13.5 million tons, respectively. About 50 percent of the soybean crop was planted in areas that first produced wheat. The high support price for wheat makes double cropping very attractive. The government of Brazil increased the price support of crops substantially in the past year to provide an incentive for Brazilian farmers to expand agricultural output. In real terms, the price support in 1979 was increased by 11.4 percent for corn, 40 percent for soybeans, and 17.2 percent for rice.

Agricultural production in South Africa is expected to recover from the drought-reduced level of 1978/79. Rains in late October and in November permitted

summer crops to be planted on schedule in most areas. However, in some areas, the deficiency in soil moisture that developed last season delayed plantings somewhat. The South African corn crop in 1979/80 is forecast at about 9 to 10 million tons, and corn exports could rebound from the 2.5 million tons estimated for the current marketing year. During the last 2 years, drought, as well as sharply increasing production costs, caused a downturn in South African wheat production. However, wheat production may increase to about 2.2 million tons in 1979/80. Wheat is grown in different regions of the country; some wheat depends on winter rainfall and some on summer rainfall. Wheat prices are very high—about \$6.00 a bushel. Exports are likely to remain low at about 130,000 tons.

Grain production in Australia may be slightly below last year's record despite an increase in planted area. Growing conditions—although generally favorable—have been somewhat below the optimum condition of last year that pushed production to an alltime high. An increase in wheat area has offset a reduction in coarse grain area. Wheat production currently is estimated at 16 million tons, compared with 18.3 million a year ago. Coarse grain production may decline to 6.4 million tons from last year's high of 7.2 million.

Supplies of wheat and coarse grains for domestic use and export are more than adequate; consequently, carryover stocks likely will increase. The Australian Wheat Board has made substantial sales to the USSR, China, and other countries. Currently, wheat exports are increasing as logistical bottlenecks at grain handling facilities are worked out.

Beef and veal production may decline a tenth or more in 1979, and even further in 1980 if cattlemen expand their herds and cut back slaughter in response to high cattle prices. Although production of lamb, mutton, and pork is likely to increase in 1980, total meat production probably will decrease because of a reduction in beef output.

New Zealand livestock came through the winter in good condition. Lambing percentages are expected to rise 4-5 percent from the depressed levels of last year. Milk production has been running well ahead of the same period last year.

Total meat production in 1978/79 declined 5 percent due to reduced cattle slaughter. The 1979/80 forecast is for increased lamb and mutton production to

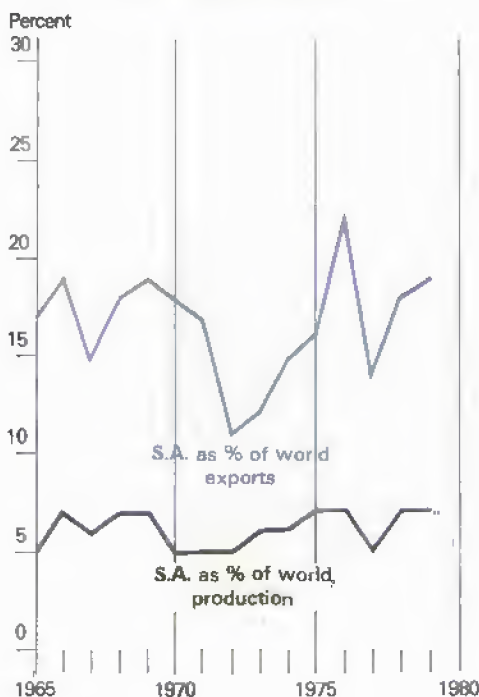
offset less beef. Favorable wool growing conditions combined with rising sheep numbers could result in a 5-percent increase in wool production.

U.S. Trade Prospects

The rapid expansion in U.S. agricultural trade is likely to continue in fiscal 1980. Agricultural exports are forecast to increase a fifth to \$38 billion while imports may rise from \$16.2 billion to about \$17.5 billion. At these levels, the agricultural trade surplus would widen to around \$20 billion.

However, much uncertainty surround this outlook. Depending on world supply and demand developments and logistical considerations, exports are likely to total between \$35 and \$40 billion. Exports could be near the lower end of the range if economic activity in major importing countries slows more than anticipated, if grain and oilseed crops in the Southern Hemisphere are larger than expected, and if unusually severe winter weather or other difficulties disrupt the U.S. transportation system. On the other hand, exports could move toward \$40 billion if demand abroad is stronger than anticipated; however, this would require a sustained high performance

Southern Hemisphere's Share of World Production and Exports of Wheat



by the U.S. transportation system, which could be difficult to achieve.

Total export tonnage* is expected to approach 160 million tons, up from 137 million this year. Grain shipments could rise about 18 million tons, accounting for four-fifths of the growth. Shipments of soybeans, protein meal, and cotton are also likely to expand.

Export unit values for grains, especially wheat, will probably average significantly higher in fiscal 1980. Lower unit values are anticipated for soybeans, protein meal, and fats and oils.

U.S. agricultural exports to the centrally planned countries are expected to increase from \$4.7 billion to over \$7 billion. Exports to the developing countries may increase a fourth from fiscal 1979's \$10.3 billion. Exports to the developed countries are likely to increase about 6 percent in value. The share of U.S. agricultural exports to the developed countries will drop below a half, down from an average of 58 percent in 1970-78.

Grain Exports Up a Fifth

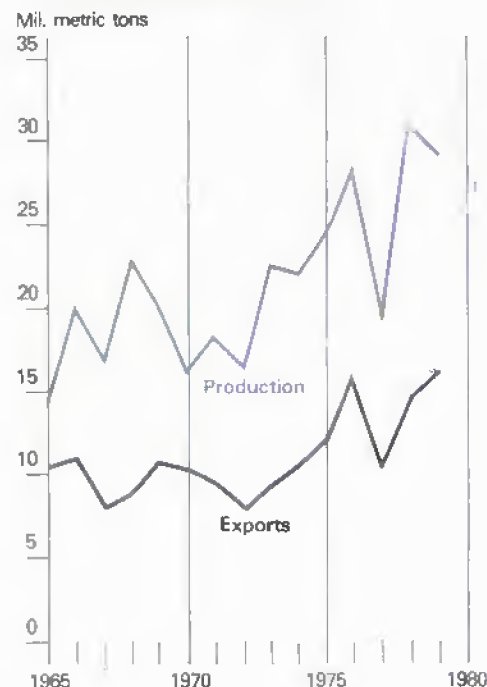
World coarse grain trade (excluding trade among European Community (EC) countries) is expected to increase from 90 million tons to about 101 million tons in 1979/80. U.S. exports are forecast to rise from 59.5 million to about 71 million tons, while reduced crops and transportation difficulties limit exports from other suppliers. About half the increase in feed grain exports likely will go to the USSR. Expanded shipments to Eastern Europe, the EC, Africa, the Middle East, and the developing countries of East and Southeast Asia are also anticipated.

Wheat production outside the United States is down about 47 million tons in 1979/80. USSR wheat production is estimated down 38 million tons, and smaller crops are estimated for Eastern and Western Europe and Canada. Supplies are large in other exporting countries, but handling and transportation difficulties will restrict export expansion.

Thus, U.S. wheat and flour exports may rise from 32 million to about 38 million tons. The USSR, Eastern Europe, and North Africa will account for most of the increase. Shipments to Japan may decline slightly

*The tonnage measure includes all farm exports that are recorded by weight, excluding products reported by liquid measure, such as fruit juices, and by number, such as cattle hides and live animals.

Wheat Production and Exports in the Southern Hemisphere



because of expanding domestic production. Exports to China are likely to fall because of the 4 1/2-million ton gain in Chinese wheat production.

U.S. rice exports are expected to climb from 2.4 million to a record 2.7 million tons in fiscal 1980. Shipments to Korea and Indonesia are likely to increase significantly, while exports to the Middle East—especially Saudi Arabia, Iraq, and the United Arab Emirates—continue to expand rapidly. Iran is attempting to diversify its sources of supply.

Soybean and Protein Meal Exports Rising

With a 20-percent increase in the U.S. crop, soybean exports are forecast up 11 percent in fiscal 1980. World demand for high-protein feed continues to build, and lower soybean prices should favor feeding meal over grain. The level of shipments will depend in part on the size of 1980 South American soybean crops.

Because of rapid growth in livestock industries, substantial gains are expected for soybean shipments to non-EC Western Europe and the developing countries of East and Southeast Asia. Expanding livestock production and poor oilseed crops are likely to result in strong gains to the USSR and Eastern Europe. Increases to the EC and Japan are expected to be small.

Protein meal exports could increase about 5 percent to a record 6.7 million tons. Shipments to the EC may advance about 6

percent, but only a small rise is forecast for shipments to Eastern Europe because of stronger competition from Brazil and Argentina.

U.S. cotton export volume may move up about 5 percent in fiscal 1980. U.S. production is up one-third in 1979, while foreign production is estimated near the year-earlier level. Exports to the developing countries of East and Southeast Asia are expected to increase as shipments to Hong Kong recover from fiscal 1979's reduced

volume. Chinese cotton imports probably will reach a record high in 1979/80, so U.S. sales to China likely will expand substantially. Shipments to Japan may decline about 6 percent.

Following a 28-percent jump in fiscal 1979, the export value of animals and animal products is forecast to be up about 4 percent in fiscal 1980. The volume of cattle hide exports could slip due to continued reductions in U.S. cattle slaughter, but beef export volume and value are projected to rise significantly. Improved market access for U.S. high-quality beef in Japan and the EC, made possible by the recently concluded multilateral trade negotiations, should account for a large part of the increase. Little change is expected in U.S. pork exports because of expanded production in Canada. Tallow exports will remain near the fiscal 1979 level.

Continued growth in poultry meat exports is anticipated with larger sales to the Caribbean, Venezuela, Japan, Hong Kong, Singapore, and the EC.

The value of dairy product exports is expected to increase modestly as the price of nonfat dry milk recovers slightly.

Changing Foreign Demand Alters Product Mix of U.S. Farm Exports

Postwar economic growth in foreign countries has greatly changed the demand for various U.S. farm exports, thereby altering the product mix that had existed essentially unchanged for over 100 years. Such traditional farm exports as cotton and tobacco have given way to feed grains and soybeans.

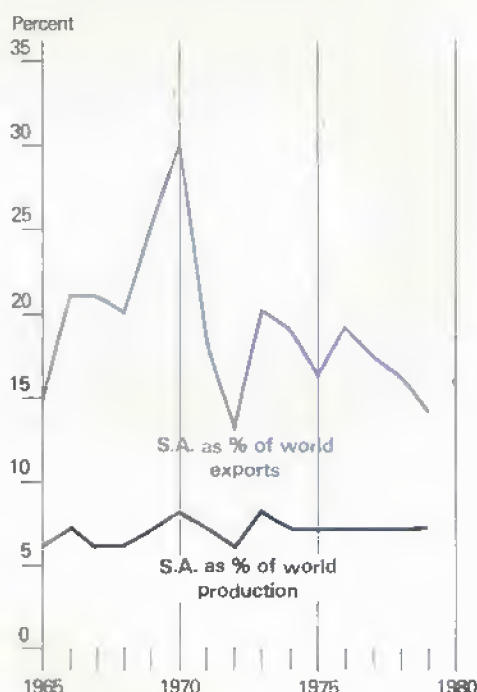
For example in the 1920's and 1930's, cotton and tobacco accounted for 55 to 60 percent of U.S. farm exports, while feed grains and soybeans made up less than 5 percent. For the calendar years 1977-78, cotton and tobacco shipments had fallen to about 11 percent of the total and feed grains and soybeans had increased to 39 percent. In this period, food grain sales inched upward from 13 percent to 18 percent.

Exports of feed grains, alone, increased from 13 percent of the total in the mid-1960's to 20 percent last year; soybeans advanced from an 8 percent share to 18 percent. These two commodities have accounted for 41 percent of the \$24-billion growth in the value of U.S. exports since 1960-64.

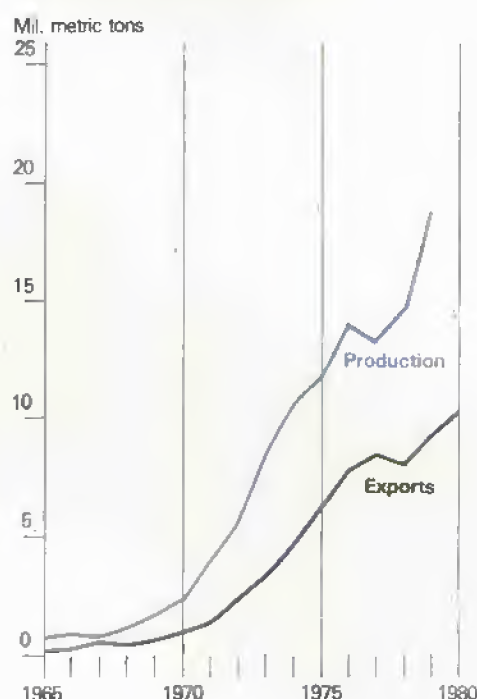
The shift to feed grains and soybean, oil, cake, and meal was in response to demands arising from accelerated livestock production in Japan and Europe, the USSR, and developing countries such as Taiwan and South Korea.

The change in commodities has not been restricted to U.S. exports, it's worldwide. World imports of food products (primarily animal products and food grains) rose \$60 billion between 1965 and 1977, while the value of agricultural raw material imports (primarily fibers, rubber, tobacco, hides and skins, and other crude animal and vegetable materials) gained only \$14 billion. During this period the value of U.S. food exports climbed \$7 billion, feed grain sales advanced \$4 billion, but agricultural raw material exports moved up only \$3 billion.

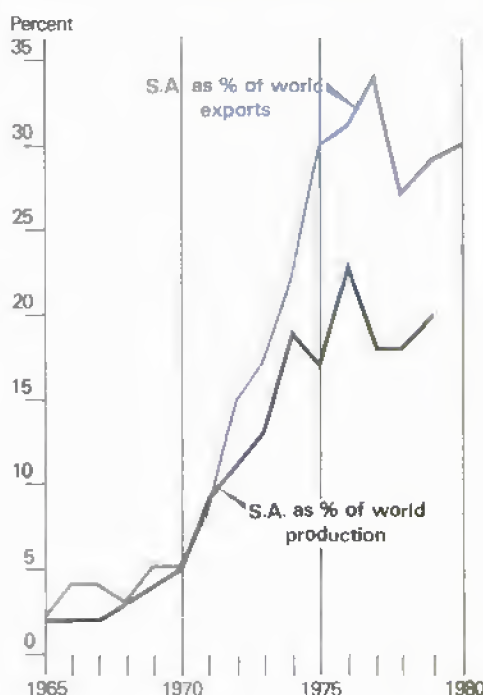
Southern Hemisphere's Share of World Production and Exports of Coarse Grain

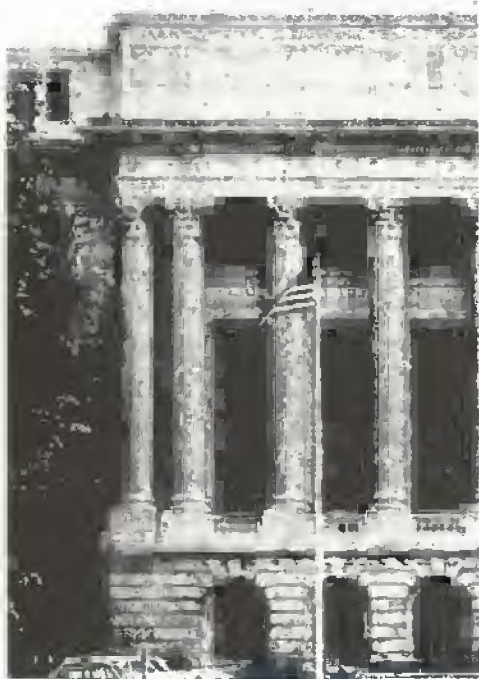


Soybean Production and Exports in the Southern Hemisphere



Southern Hemisphere's Share of World Production and Export of Soybeans





Agricultural Policy

Based on a talk by Howard W. Hjort, the USDA Director of Economics, Policy Analysis and Budget, at the 1980 Agricultural Outlook Conference, November 6, 1979.

Food and Agricultural Policy Issues for the 1980's

U.S. agricultural and food policy has changed over the years, more in response to shifting conditions and emerging problems than to politics. Major farm bills were enacted in 1970, 1973, and 1977 and new legislation will be required in 1981.

Agricultural production capabilities and food consumption throughout the world are profoundly influenced by economic conditions. Policies must be developed in the coming decade that reflect an understanding of world and national economies.

The World Economy

Consumer prices throughout the world rose three to four times faster during the 1970's than during the 1960's. The sharpest increases occurred in the middle 1970's. Consumer prices on a world scale will likely rise at a faster rate during the next few years than during 1977-79, but they should not match the percentage increases of 1974 and 1975. Sharp increases in the price of crude oil will be a key stimulant to inflation.

World economic growth in the 1970's has been well below the rate of the 1960's. During the mid-1970's, the world economy advanced at a snail's pace, and most of the highly industrialized market economies actually regressed. The pace increased in the last half of the 1970's, but a worldwide slowdown was evident even before OPEC again boosted oil prices.

During the next three years, world economic growth will be low by historic standards and below the 1977-1979 rate, but it should not slow to the 1974-75 rate. As before, the highly industrialized market economies of North America, Oceania, Western Europe, and Japan will experience the slowest rates of growth, while North Africa, the Middle East, East Asia, and Central America will experience the most rapid growth.

World population growth will be slightly lower in the early 1980's than in the late 1970's. But simply to maintain present per capita food consumption levels, Africa, the Middle East, and most of Central and South America will have to increase their food availability three to four times as fast as the highly industrialized market and centrally planned economies.

World financial reserves rose more rapidly in the 1970's than in the previous decade. But there was an important series of shifts in the share of world financial reserves held by the major countries. Shares declined sharply in North America and Oceania, remained stable for Western Europe, and rose for almost every other region of the world. Oil-exporting nations increased financial reserves at an extremely rapid rate during the early 1970's, but their share declined in the latter half of the decade. The recent sharp boost in oil prices will again increase their reserves.

Most countries importing agricultural commodities on commercial terms have relatively high financial reserves. But most of the food aid recipient countries have low financial reserves, and those who must also import oil will be in an extremely difficult position in the early 1980's unless the richer nations provide more food and financial and technical assistance.

The World Agricultural Economy

Worldwide conditions generally favored rapid growth in food consumption during the 1960's. In addition, agricultural product

supplies were large enough to keep commodity prices relatively low and stable.

This rapid growth in food consumption continued into the early 1970's. But growing demands collided with a significant decline in world production; accordingly, grain and oilseed prices escalated rapidly.

Since the mid-1970's, however, general demand factors as well as commodity supplies and prices have favored growth in world food consumption. Crops—especially grain crops—were good from 1976 to 1978 and prices declined. Grain prices from 1977 to 1979 were not only well below the 1974-75 level but, in real terms, no higher than they were during the 1960's. Oilseed and cotton prices, higher during the last part of the decade, increased less than the rate of world inflation.

Most of the world's beef and veal producers have been liquidating inventories since the mid-1970's. That will end in 1980, and the beef cattle inventory will continue to build into the mid-1980's unless there is an extreme shock to this subsector. Beef and veal production will rise at a relatively rapid rate.

World production and consumption of poultry will also increase in the early-to-mid 1980's. Recent gains in poultry and pork production have been large enough to more than offset decreased beef and veal output.

Current indications suggest that world meat consumption will increase slowly in 1980, and recover in subsequent years. Meat production prospects in the early to mid-1980's and prospects for the world economy in the early 1980's suggest a period of moderately slower growth in world food consumption. The use of feedstuffs increased very rapidly since 1975, but the pace will be quite slow into 1981.

Even so, conditions in the early 1980's will not be as adverse to gains in consumption as they were a decade earlier. But there are similarities: increased crude oil prices; slow rates of real economic growth, especially in the highly developed market economies; and rapid price inflation.

However, agricultural commodity prices are

not rising as rapidly as in the early 1970's, nor are they expected to unless 1980 crops are poor.

Despite the outlook for relatively slow growth in world food consumption, the world agricultural sector will have to operate close to capacity through the early 1980's and at capacity for most of the decade. Unfortunately, the prospect of relatively full production for the major crops does not necessarily imply that all will be well with respect to net returns to producers. Input costs have risen rapidly this year and another sharp increase is in prospect for 1980. In the early 1980's, input costs will continue to increase and farm product prices will have to rise accordingly to prevent an unbearable squeeze on producers.

Appropriate Policies for the 1980's

This review of the prospects for the 1980's suggest that our agricultural plant may be running close to capacity, and at times severely strained. This means that most of the readily available cropland will be utilized; demand for production inputs—especially fertilizer, fuels, and machinery—will continue strong. Storage, transportation, and port facilities may be severely taxed at times. When this prospect is viewed along with weather conditions that disrupt production, the possibility exists for highly unstable prices.

A major consideration of our present agricultural policy is the grain reserve program and the fact that no other nation has indicated a willingness to share in the reserve program. The 1981 legislation must consider several aspects of the food reserve program:

- Should we maintain a special food security reserve at government expense in addition to the grain reserves held by growers?

- Should we develop a food reserve program for other agricultural crops?

- To what extent should food aid commitments be honored when supplies are short and prices high?

- What steps should be used when "maximum" reserve targets are met or exceeded?

In addition to policy questions posed above, the rules governing the administration of the reserve program must be reviewed. Specifically, the following questions must be considered:

- Are the differentials between the call and release prices wide enough to prevent reserve commodities from flowing into the market in a disorderly manner?

- Should the rules used to guide decisions concerning release, removal of release status, and calling loans be modified to make them more responsive to market price changes? Should these rules be modified to provide flexibility when market prices are affected by transportation problems when the reserves have been called?

- Should we continue having reserve release prices at 140 percent of the loan price for food grains and 125 percent of the loan price for feed grains?

- Should target prices be based on historical cost data or current cost data?

Structural Considerations

The situation outlined for the decade ahead—especially the rising cost of farm inputs—will affect the structure of our farm sector.

Already, the high price of fossil fuel has caused adjustments in U.S. agriculture, and it could lead to even more significant changes during the 1980's. Farm organization may undergo change as producers seek alternative energy sources or explore new production techniques. Farming's capital requirements will undoubtedly be affected. Rising energy prices could alter national production patterns, as regions that previously produced specific commodities at low cost may find their advantage whittled away by higher production and transportation expenses.

Similarly, the continued rise in land values will be a source of mounting concern during the 1980's. Escalating land values have given an advantage to operators who already own acreage. With their equity growing, these producers have the means to secure loans, buy out their neighbors, and expand their

operations. But rapid escalation in land prices makes it extremely difficult for the beginning farmer to purchase land or even pay the cost of operating someone else's land.

Perhaps most important of all, there appear to be no technological breakthroughs on the immediate horizon comparable to those of in the last 40 years. Rapid technological advances in the past have helped to offset the pressure of inflation and rising costs on farmers. Those advances kept food prices low, freed people for nonfarm jobs, and all but guaranteed ample quantities of farm products for foreign trade.

As the buffers of new technologies erode, however, greater attention must be paid to changes taking place in the farm sector, their effects on the sector's performance, and the sector's ability to meet the challenges confronting it. Among these are:

- Rising production costs.
- Rapidly increasing land prices.
- Changing market structures and increased dependence on foreign markets.

- Barriers to entry for beginning farmers and growing problems of intergenerational transfer for farm families.

- Increasing pressure on nonrenewable resources such as land, water, and fossil fuels and competition from nonagricultural uses for these resources.

In meeting each of these challenges, the public will face important choices and tradeoffs. There will be additional pressure for government policies that treat the problem of one sector without damaging the interests of another group or asking the individual citizen to pay too great a price. Today, at the time when the demands on government policy are the greatest, the public's tolerance for misdirected or unnecessarily burdensome programs and regulations is at an alltime low.

The problems of the 1980's will differ substantially from those of the past several decades. Rather than excess capacity, excess land and labor resources, and low prices, the problems will lie in bringing additional land into production, insuring good conservation practices on acres already in use, overcoming rapidly rising input costs, and seeking more efficient ways to use land, water, and energy resources.

These issues and many others are affected by the organization and control of farming's productive resources—the structure of the farm sector. The development of appropriate policies for the 1980's will demand that the structure of American agriculture be considered with increasing care.



Recent Publications

Below is a list of selected USDA publications, arranged by subject area, which may be of interest to you. To order reports, write directly to the issuing agency (indicated in parentheses after each report citation) at the address listed below. When ordering be sure to list the publication number and provide your zip code.

ESCS Reports

The publication order form provided on the inside back cover shows the publication numbers for ESCS reports listed below. Simply circle those you would like to receive and mail to ESCS Publications, Room 0054-South Building, U.S. Department of Agriculture, Washington, D.C. 20250.

FAS Reports

FAS Information, Room 5918 South, U.S. Department of Agriculture, Washington, D.C., 20250.

State Reports

Publications issued by a State may be obtained by writing the address shown. No copies are available from the U.S. Department of Agriculture.

New report listings, by subject matter:

Cotton

The Market for U.S. Cotton in the Republic of Korea. FAS M-291 (FAS).
World Cotton Production Up—Consumption to Expand. FC 15-79 (FAS).
U.S. Cotton Exports up 10 percent in September. FC 16-79 (FAS).
World Cotton Statistics, 1947-79. FC 17-79 (FAS).

Grains

November Estimate of the USSR Grain Crop Remains Unchanged. FG 19-79 (FAS).

Livestock and Meat

Fourth Quarterly Outlook for World Meat Production and Trade in 1979. FLM 7-79 (FAS).
U.S. Customs Service Data on Meat Imports August 1979. FLM MT 18-79 (FAS).
U.S. Customs Service Data on Meat Imports September 1979. FLM MT 20-79 (FAS).
Export Earnings of Livestock and Products up in August. FLM MT 21-79 (FAS).

Nuts

World Almond Production to Recover in 1979; Filbert Output to Decline. FN 2-79 (FAS).

Oilseeds and Products

U.S. Oilseed Exports and Imports up in August 1979. FOP 19-79 (FAS).
World Oilseeds Situation and Outlook. FOP 20-79 (FAS).
U.S. Seed Exports, Quantity, Value, and Destination, July-September and September 1978/79 and 1979/80 Marketing Years. FFVS 10-79 (FAS).

Poultry and Eggs

World Poultry Meat and Egg Production Forecast to Increase Again in 1979. FPE 3-79 (FAS).

Miscellaneous

U.S. Rice Industry. AER 433 (ESCS).
Structure Issues of American Agriculture. AER 438 (ESCS).
Major Uses of Land in the United States: 1974. AER 440 (ESCS).
Report Assessing Global Food Production and Needs as of April 15, 1979. ESCS 61 (ESCS).
Regional and Residential Impacts of the Proposed Better Jobs and Income Program. ESCS 69 (ESCS).
Proceedings of Symposium on Farm Estate Issues Raised by the Tax Reform Act of 1976. ESCS 73 (ESCS).
Moroni Feed Company Impact of a Cooperative on Sanpete County, Utah. FCRR 13 (ESCS).
Farm Income Statistics. SB 627 (ESCS).

State Reports

1979 Alabama Agricultural Statistics.
Alabama Crop and Livestock Reporting Service, P.O. Box 1071, Montgomery, Alabama 36102.
Florida Agricultural Statistics—Citrus Maturity and Yield Tests. Florida Crop and Livestock Reporting Service, 1222 Woodward Street, Orlando, Florida 32803.
Kentucky Agricultural Statistics 1978 - 1979 Annual. Kentucky Crop and Livestock Reporting Service, P.O. Box 1120, Louisville, Kentucky 40201.
North Carolina Farm Income 1976 - 1978. North Carolina Crop and Livestock Reporting Service, P.O. Box 27767, 1 West Edenton Street, Raleigh, North Carolina 27611.
1978 Crop and Livestock Annual Summary. Pennsylvania Crop Reporting Service, 2301 North Cameron Street, Harrisburg, Pennsylvania 17110.
1978 Texas Agricultural Cash Receipts Statistics. Texas Crop and Livestock Reporting Service, P.O. Box 70, Austin, Texas 78767.

Statistical Indicators

Summary Data

Key Statistical Indicators of the Food and Fiber Sector

	1977	1978				1979				
	Annual	II	III	IV	Annual	I	II	III	IV	Annual ⁶
Prices received by farmers (1967=100)	183	213	215	219	210	240	245	241	232	239
Livestock and products (1967=100)	175	216	221	234	217	263	265	248	247	256
Crops (1967=100)	192	212	207	203	204	213	222	233	216	221
Prices paid by farmers, all items (1967=100)	202	218	221	225	219	238	248	252	256	249
Production items (1967=100) ¹	208	226	228	232	226	249	259	262	265	259
Farm production (1967=100)	121	—	—	—	122	—	—	—	—	128
Livestock and products (1967=100)	106	—	—	—	106	—	—	—	—	107
Crops (1967=100)	130	—	—	—	131	—	—	—	—	143
Farm income ²										
Cash receipts (\$ bil.)	95.7	111.0	109.0	118.0	111.0	128.9	130.7	129.9	129	130
Livestock (\$ bil.)	47.4	58.3	60.4	63.4	59.0	70.0	68.2	65.0	65	67
Crops (\$ bil.)	48.2	52.7	48.6	54.6	52.1	58.9	62.5	64.9	64	63
Total gross farm income (\$ bil.) ³	108.5	124.8	123.7	134.6	126.0	143.9	146.8	146.7	148	146
Production expenses (\$ bil.)	88.8	97.0	97.4	103.0	98.1	109.0	112.0	116.0	119	114
Net farm income (\$ bil.)	19.8	27.8	26.3	31.6	27.9	34.9	34.8	30.7	29	32
Market basket:										
Retail cost (1967=100)	179.2	199.1	204.2	206.2	199.4	217.5	223.8	224.3	226	223
Farm value (1967=100)	178.1	211.5	213.4	214.8	207.4	237.4	235.8	227.0	225	232
Spread (1967=100)	180.0	191.6	198.6	201.1	194.5	206.4	216.5	222.7	226	218
Farm value/retail cost (%)	38	40	39	39	39	41	40	38	38	39
Retail prices:										
Food (1967=100)	192.2	210.5	215.3	218.0	211.4	227.5	234.0	236.8	240	235
At home (1967=100)	190.2	210.0	214.4	216.5	210.2	227.0	233.1	234.7	237	233
Away-from-home (1967=100)	200.3	215.9	221.6	226.0	218.4	233.2	240.7	246.3	251	243
Per capita food use (1967=100)	104.6	—	—	—	104.5	—	—	—	—	104
Animal-products (1967=100) ⁴	103.0	100.1	100.7	104.2	102.2	99.6	99.6	101.6	103.4	102
Crop-products (1967=100)	106.3	—	—	—	106.9	—	—	—	—	106
Agricultural exports (\$ bil.) ⁵	24.0	6.5	7.9	6.8	27.3	8.2	7.7	7.9	8.2	32.0
Agricultural imports (\$ bil.) ⁵	13.4	3.9	3.4	3.6	13.9	3.9	4.1	4.4	3.8	16.2

¹ Including interest, wages, and taxes. ² Quarterly data are seasonally adjusted at annual rates; ³ Includes net change in farm inventories. ⁴ Quarterly data exclude fish products. ⁵ Annual and quarterly data are based on Oct.-Sept. fiscal years ending with indicated years. quarters indicated refer to fiscal year quarters, not calendar year quarters, i.e. I 1978 means Oct.-Dec. 1977, II 1978 means Jan.-Mar. 1978, etc. ⁶ Preliminary.

Farm Income

Gross and net farm income¹

	Annual			1976	1977				1978				1979		
	1976	1977	1978	IV	II	III	IV	I	II	III	IV	I	II	III	
	\$ Bil.														
Cash receipts from farm marketings . . .	94.8	95.7	111.0	93.6	93.8	92.1	99.9	106.2	111.0	109.0	118.0	128.9	130.7	129.9	
Livestock and products	46.1	47.4	59.0	45.2	45.7	47.1	50.6	53.9	58.3	60.4	63.4	70.0	68.2	65.0	
Crops	48.7	48.2	52.1	48.4	48.1	44.9	49.4	52.4	52.7	48.6	54.6	58.9	62.5	64.9	
Net change in farm inventories	-2.4	1.1	1.1	-2.4	1.0	2.0	2.2	1.0	.5	1.5	1.2	2.0	2.5	3.5	
Nonmoney and other farm income ² . . .	9.4	11.8	13.8	9.7	10.7	11.3	15.1	13.6	13.3	13.2	15.4	13.0	13.6	13.3	
Gross farm income	101.8	108.5	126.0	100.4	105.5	105.4	117.2	120.8	124.8	123.7	134.6	143.9	146.8	146.7	
Farm production expenses	83.1	88.8	98.1	84.4	87.5	88.5	92.4	95.0	97.0	97.4	103.0	109.0	112.0	116.0	
Net farm income															
Current prices	18.7	19.8	27.9	16.5	18.0	16.9	24.8	25.8	27.8	26.3	31.6	34.9	34.8	30.7	
1967 prices ³	11.0	10.9	14.3	9.5	10.0	9.2	13.4	13.7	14.4	13.3	15.7	16.8	16.3	13.9	

¹Quarterly data are seasonally adjusted at annual rates. ²Includes government payments to farmers, value of farm products consumed in farm households, rental value of farm dwellings, and income from recreation, machine hire, and custom work. ³Deflated by the consumer price index for all items, 1967=100.

Cash receipts from farming

	Annual			1978	1979					
	1976	1977	1978	Sept	Apr	May	June	July	Aug	Sept
	\$ Mil.									
Farm marketings and CCC loans ¹	94,780	95,654	111,042	9,736	8,796	8,981	10,124	9,531	9,995	10,689
Livestock and products	46,112	47,432	58,991	5,189	5,731	5,858	5,473	5,438	5,538	5,579
Meat animals	26,954	27,842	37,373	3,380	3,719	3,760	3,389	3,394	3,473	3,580
Dairy products	11,428	11,752	12,724	1,044	1,209	1,246	1,234	1,221	1,210	1,197
Poultry and eggs	7,164	7,226	8,152	693	739	782	776	754	785	730
Other	566	612	742	72	64	70	74	69	70	72
Crops	48,668	48,222	52,051	4,547	3,065	3,123	4,651	4,093	4,457	5,110
Food grains	6,896	6,041	5,927	746	277	467	1,053	1,247	822	803
Feed crops	13,075	11,885	10,871	800	862	813	1,315	649	833	1,031
Cotton (lint and seed)	3,477	3,470	3,429	76	117	92	101	69	139	121
Tobacco	2,310	2,331	2,549	457	0	20	0	185	527	458
Oil-bearing crops	9,406	9,537	11,987	683	598	466	857	531	724	838
Vegetables and melons	5,242	5,659	6,083	769	338	461	485	433	572	753
Fruits and tree nuts	3,646	4,341	5,451	555	355	387	523	523	450	600
Other	4,616	4,958	5,754	461	518	417	317	456	390	506
Government payments	734	1,819	3,030	179	312	55	37	42	72	84
Total cash receipts ²	95,514	97,473	114,072	9,915	9,108	9,036	10,161	9,573	10,067	10,773

¹Receipts from loans represent value of loans minus value of redemptions during the month. ²Details may not add because of rounding.

Farm marketing indexes (physical volume)

	Annual			1978	1979					
	1976	1977	1978	Sept	Apr	May	June	July	Aug	Sept
	1967=100									
All commodities	120	123	123	131	102	98	117	106	97	102
Livestock and products	109	112	115	118	105	106	107	108	97	92
Crops	134	138	135	149	99	83	132	104	97	118

Cash receipts¹ from farm marketings, by States, January-September

State	Livestock and Products		Crops ²		Total ²	
	1978	1979	1978	1979	1978	1979
\$ Mil.						
NORTH ATLANTIC						
Maine	212.9	220.7	90.4	100.1	303.3	320.8
New Hampshire	45.5	43.8	18.3	17.9	63.8	61.7
Vermont	209.1	241.1	16.4	16.3	225.5	257.4
Massachusetts	82.2	84.8	87.7	87.3	169.9	172.1
Rhode Island	9.0	8.7	10.6	11.0	19.6	19.7
Connecticut	100.5	112.1	72.3	74.5	172.7	186.7
New York	986.6	1,206.3	407.7	413.7	1,394.3	1,620.0
New Jersey	79.3	81.0	197.7	212.6	277.0	293.6
Pennsylvania	1,118.1	1,342.8	471.6	503.1	1,589.6	1,845.9
NORTH CENTRAL						
Ohio	930.2	1,048.1	1,081.5	1,348.9	2,011.7	2,396.9
Indiana	1,145.6	1,283.7	1,009.4	1,334.5	2,155.0	2,618.2
Illinois	1,546.2	1,673.8	3,053.3	3,537.0	4,599.5	5,210.8
Michigan	743.8	868.1	724.3	763.1	1,468.0	1,631.2
Wisconsin	2,191.5	2,619.6	484.0	489.9	2,675.5	3,109.5
Minnesota	1,887.3	2,081.9	1,371.6	1,729.8	3,258.9	3,811.7
Iowa	3,885.7	4,276.6	2,007.3	2,406.8	5,893.0	6,683.4
Missouri	1,500.1	1,745.7	750.3	876.4	2,250.3	2,622.1
North Dakota	357.6	427.1	960.0	1,050.2	1,317.5	1,477.3
South Dakota	1,070.0	1,244.6	353.2	436.5	1,423.2	1,681.2
Nebraska	2,223.7	2,534.7	791.8	1,082.7	3,015.4	3,617.4
Kansas	2,154.6	2,458.7	905.3	1,057.3	3,060.0	3,516.0
SOUTHERN						
Delaware	166.2	185.0	53.2	59.1	219.4	244.1
Maryland	385.1	443.1	157.5	168.9	542.7	612.0
Virginia	498.1	583.1	250.3	305.3	748.4	888.4
West Virginia	95.1	93.9	31.4	39.9	126.5	133.8
North Carolina	948.2	1,071.7	1,028.9	1,239.8	1,977.0	2,311.5
South Carolina	62.3	324.3	384.1	446.9	658.1	771.1
Georgia	1,079.8	1,292.7	696.9	778.4	1,776.7	2,071.1
Florida	650.9	782.9	1,904.1	2,044.8	2,554.9	2,827.8
Kentucky	709.3	826.7	541.1	637.9	1,250.4	1,464.5
Tennessee	625.2	775.1	246.8	281.7	872.0	1,056.8
Alabama	900.3	1,051.9	338.4	341.8	1,238.6	1,393.7
Mississippi	671.5	770.4	395.4	449.6	1,066.9	1,220.0
Arkansas	1,034.9	1,238.2	517.3	567.0	1,552.2	1,805.3
Louisiana	325.8	382.5	438.5	440.0	764.3	822.5
Oklahoma	1,225.0	1,506.7	468.8	477.5	1,693.8	1,984.2
Texas	3,445.1	4,176.6	1,939.0	2,165.8	5,384.1	6,342.5
WESTERN						
Montana	202.3	246.2	346.4	382.8	548.7	629.0
Idaho	439.9	518.5	485.5	561.6	925.3	1,080.1
Wyoming	232.1	271.4	34.3	43.9	266.4	315.3
Colorado	1,535.2	1,754.0	337.0	416.3	1,872.3	2,170.3
New Mexico	371.7	423.7	105.3	127.5	477.0	551.3
Arizona	532.3	612.9	496.8	529.2	1,029.1	1,142.2
Utah	249.5	269.2	67.7	71.7	317.2	340.9
Nevada	69.2	77.1	29.2	34.3	98.4	111.4
Washington	410.3	491.8	1,084.9	1,133.7	1,495.3	1,625.5
Oregon	326.5	377.8	542.9	619.5	869.4	997.3
California	2,496.6	2,831.9	4,388.4	4,403.0	6,884.9	7,234.9
Alaska	3.1	3.1	4.0	4.0	7.1	7.1
Hawaii	54.8	52.8	230.5	235.7	285.2	288.5
UNITED STATES	42,437.0	49,039.1	32,409.4	36,557.2	74,846.4	85,596.7

¹ Estimates as of the first of current month. ² Sales of farm products include receipts from loans reported minus value of redemptions during the period. Rounded data may not add.

Farm Production ¹

Items	1971	1972	1973	1974	1975	1976	1977	1978	1979 ²
1967=100									
Farm output	110	110	112	106	114	117	121	121	128
All livestock products ³	106	107	105	106	101	105	106	106	107
Meat animals	109	109	108	110	102	105	105	104	103
Dairy products	101	102	98	99	98	103	105	104	105
Poultry and eggs	106	109	106	106	103	110	112	118	126
All crops ⁴	112	113	119	110	121	121	130	131	143
Feed grains	116	112	115	93	114	120	126	135	142
Hay and forage	105	104	109	104	108	102	107	115	115
Food grains	107	102	114	120	142	141	132	124	142
Sugar crops	116	127	112	104	130	128	116	118	109
Cotton	145	187	175	158	112	142	191	146	195
Tobacco	86	88	88	101	110	108	98	102	82
Oil crops	121	131	155	127	153	132	175	180	228
Cropland used for crops	100	98	103	106	108	109	111	108	111
Crop production per acre	112	115	116	104	112	111	117	121	129

¹ For historical data and explanation of indexes, see *Changes in Farm Production and Efficiency*, USDA Statistical Bulletin 612. ² Preliminary indexes for 1979 based on November 1979 *Crop Production* and other releases of the Crop Reporting Board, ESCS. ³ Gross livestock production includes minor livestock products not included in the separate groups shown. It cannot be added to gross crop production to compute farm output. ⁴ Gross crop production includes some miscellaneous crops not in the separate groups shown. It cannot be added to gross livestock production to compute farm output.

Farm Prices: Received and Paid

Indexes of prices received and paid by farmers, U.S. average

	Annual			1978		1979				
	1976	1977	1978	Oct	May	June	July	Aug	Sept	Oct p
1967=100										
Prices Received										
All farm products	186	183	210	218	246	244	244	237	241	236
All crops	197	192	204	202	220	233	240	235	225	222
Food grains	202	156	191	195	210	240	251	245	252	255
Feed grains and hay	218	181	184	174	208	218	226	220	220	214
Feed grains	214	174	181	171	200	216	226	217	216	209
Cotton	265	270	245	265	247	262	271	263	253	252
Tobacco	163	175	191	200	206	206	199	208	214	206
Oil-bearing crops	205	243	226	229	255	264	264	257	248	229
Fruit	129	163	227	247	240	255	274	278	218	229
Fresh market ¹	126	163	237	259	251	270	293	300	226	237
Commercial vegetables	161	176	189	165	186	186	177	178	171	181
Fresh market	173	197	209	174	204	203	189	192	181	196
Potatoes ²	201	194	206	158	184	195	229	205	176	172
Livestock and products	177	175	217	232	269	255	250	239	255	248
Meat animals	170	168	226	247	301	280	273	256	277	266
Dairy products	192	193	210	224	229	229	230	238	246	250
Poultry and eggs	178	174	185	182	199	188	181	173	177	167
Prices paid										
Commodities and services										
Interest, taxes, and wage rates	191	202	219	224	248	249	251	251	254	256
Production items	193	200	216	222	247	248	250	249	253	255
Feed	191	186	183	179	202	205	216	211	211	211
Feeder livestock	154	158	221	247	310	292	288	276	290	288
Interest payable per acre on farm real estate debt	287	331	396	396	487	487	487	487	487	487
Taxes on farm real estate	178	195	207	207	221	221	221	221	221	221
Wage rates (seasonally adjusted)	210	226	242	237	269	269	266	266	266	266
Production items, interest, taxes, and wage rates	198	208	226	231	259	259	262	260	264	266
Prices received (1910-14=100)	464	457	524	544	615	610	611	592	602	589
Prices paid, etc. (Parity index) (1910-14=100)	650	687	744	761	842	845	853	852	862	870
Parity ratio ³	71	66	70	71	73	72	72	69	70	68

¹ Fresh market for noncitrus and fresh market and processing for citrus. ² Includes sweetpotatoes and dry edible beans. ³ Ratio of index of prices received to index of prices paid, taxes, and wages rates. p. Preliminary.

Prices received by farmers, U.S. average

	Annual*			1979						
	1976	1977	1978	Oct	May	June	July	Aug	Sept	Oct p
Crops										
All wheat (\$/bu.)	3.15	2.29	2.82	2.99	3.20	3.72	3.89	3.74	3.87	3.90
Rice, rough (\$/cwt.)	6.90	7.94	9.28	7.62	8.74	8.87	9.10	10.00	9.81	10.20
Corn (\$/bu.)	2.49	2.03	2.10	1.97	2.35	2.49	2.64	2.54	2.51	2.42
Sorghum (\$/cwt.)	4.00	3.11	3.45	3.35	3.66	4.30	4.46	4.27	4.24	4.03
All hay, baled (\$/ton)	58.00	57.10	49.90	47.10	65.10	58.00	56.30	57.60	58.80	60.50
Soybeans (\$/bu.)	5.58	6.82	6.28	6.26	7.06	7.36	7.36	7.07	6.81	6.21
Cotton, Upland (cts./lb.)	59.7	60.9	55.0	59.6	55.5	58.8	60.9	59.2	56.8	56.7
Potatoes (\$/cwt.)	4.14	3.90	3.99	3.07	3.33	3.35	4.24	3.89	3.27	3.17
Dry edible beans (\$/cwt.)	16.40	17.50	18.60	16.20	19.00	20.00	22.20	20.80	19.50	20.20
Apples for fresh use (cts./lb.)	10.1	12.3	16.4	13.6	13.9	13.5	14.9	15.6	15.8	13.4
Pears for fresh use (\$/ton)	178	145	130	245	457	496	—	258	241	251
Oranges, all uses (\$/box) ¹	1.64	2.94	4.72	5.73	5.12	5.48	5.18	4.96	3.52	4.20
Grapefruit, all uses (\$/box) ²	1.45	1.67	2.39	3.35	3.64	4.24	5.33	5.42	3.49	4.36
Livestock										
Beef cattle (\$/cwt.)	33.90	34.50	48.20	53.20	71.50	66.90	65.60	61.30	66.90	65.10
Calves (\$/cwt.)	34.50	36.80	58.10	66.40	96.70	90.20	90.00	84.60	91.60	86.70
Hogs (\$/cwt.)	43.00	40.00	47.10	50.80	43.60	39.70	37.90	35.50	37.50	34.00
Lambs (\$/cwt.)	47.60	51.40	63.10	62.50	70.10	67.00	65.00	61.10	67.00	65.40
All milk, sold to plants (\$/cwt.)	9.66	9.71	10.60	11.30	11.50	11.50	11.60	12.00	12.40	12.60
Milk, manuf. grade (\$/cwt.)	8.57	8.71	9.67	10.50	10.80	10.80	10.80	11.10	11.40	11.60
Broilers (cts./lb.)	23.1	23.5	26.5	24.6	29.0	26.4	25.5	23.0	23.4	21.1
Eggs (cts./doz.) ³	58.8	54.2	52.5	52.7	56.7	55.6	53.4	52.3	54.8	52.2
Turkeys (cts./lb.)	31.8	34.8	41.7	45.7	42.2	40.0	38.3	38.6	38.1	40.1
Wool (cts./lb.) ⁴	65.1	71.4	76.3	77.1	88.3	87.1	83.7	83.1	80.2	89.6

¹ Ten month average. ² Equivalent on-tree returns. ³ Average of all eggs sold by farmers, including hatching eggs and eggs sold at retail. ⁴ Average local market price, excluding incentive payments. * Calendar year averages. p Preliminary.

Producer and Retail Prices

Consumer Price Index for all urban consumers, U.S. average (not seasonally adjusted)*

	Annual	1979								
	1978	Oct	Mar	Apr	May	June	July	Aug	Sept	Oct
		1967=100								
Consumer price index, all items	195.4	200.9	209.1	211.5	214.1	216.6	218.9	221.1	223.4	225.4
Consumer price index, less food	191.2	196.7	203.8	206.3	208.9	211.8	214.2	216.9	219.6	221.8
All food	211.4	216.8	230.4	232.3	234.3	235.4	236.9	236.3	237.1	238.2
Food away from home	218.4	224.6	236.0	238.4	241.1	242.7	244.9	246.5	247.6	249.6
Food at home	210.2	215.4	229.9	231.7	233.4	234.2	235.5	233.9	234.7	235.4
Meats ¹	206.8	215.3	244.2	248.3	252.1	249.6	248.0	237.8	238.1	238.6
Beef and veal	201.0	211.3	252.1	262.5	270.3	266.9	266.4	251.9	254.2	256.2
Pork	213.1	218.7	233.4	225.9	222.2	217.2	215.1	207.4	206.5	204.3
Poultry	172.9	177.3	189.9	189.9	188.0	187.2	186.2	177.1	174.8	170.3
Fish	275.4	281.7	294.0	295.6	297.2	301.0	304.3	306.5	309.7	311.5
Eggs	157.8	159.1	181.3	179.3	172.9	161.9	165.8	161.8	170.7	161.3
Dairy products ²	185.6	191.1	201.5	202.4	203.8	205.5	206.3	208.6	211.3	213.3
Fats and oils ³	209.6	216.3	219.5	222.5	225.3	226.3	227.4	228.9	231.5	231.9
Fruits and vegetables	212.9	216.3	225.9	226.5	226.8	233.8	238.1	237.8	231.8	232.0
Fresh	218.5	221.5	230.5	230.7	231.0	243.3	249.4	247.5	234.7	235.5
Processed	208.7	212.5	222.7	223.9	224.2	225.4	227.8	229.2	230.6	230.1
Cereals and bakery products	199.9	205.1	213.5	214.5	216.2	217.8	220.1	223.7	225.6	227.0
Sugar and sweets	257.5	262.3	272.1	274.2	276.3	277.4	279.4	281.0	282.0	283.1
Beverages, nonalcoholic	340.8	340.4	347.1	347.7	349.3	350.4	354.6	361.8	367.7	372.1
Apparel commodities less footwear	154.2	157.7	157.1	157.9	158.4	157.4	155.6	157.7	161.5	162.3
Footwear	163.8	167.8	171.6	174.2	175.0	176.7	176.6	177.5	180.1	182.6
Tobacco products	177.2	181.0	185.8	186.1	186.3	186.4	186.8	189.9	190.9	191.3
Beverages, alcoholic	159.8	163.1	169.2	170.2	171.5	172.1	172.7	173.3	174.2	176.0

¹ Beef, veal, lamb, pork, and processed meat. ² Includes butter. ³ Excludes butter.

Producer Price Indexes, U.S. average (not seasonally adjusted)

	Annual			1978	1979					
	1976	1977	1978	Oct	May	June	July	Aug	Sept	Oct
	1967=100									
Finished goods ¹	170.3	180.6	194.6	199.6	212.4	213.7	215.8	217.3	220.4	223.7
Consumer foods	180.2	189.1	206.8	212.0	226.6	223.6	224.6	223.2	227.8	226.7
Fruits and vegetables ²	178.4	192.2	218.2	214.2	226.5	226.2	226.6	241.6	208.2	217.8
Eggs	179.1	162.0	158.6	156.3	163.8	170.7	167.6	166.8	175.4	155.9
Bakery products	180.0	186.5	201.2	207.8	216.3	217.0	218.4	224.3	227.8	228.8
Meats	173.6	170.7	209.5	222.2	242.0	233.7	228.0	215.2	232.7	226.4
Beef and veal	156.0	157.5	202.2	209.7	264.4	254.1	248.1	233.3	257.4	249.8
Pork	201.4	190.1	219.1	240.7	203.2	198.0	191.9	183.7	196.8	188.2
Poultry	166.2	173.3	194.0	184.4	204.9	179.2	179.7	170.9	172.6	164.6
Fish	272.4	294.3	313.0	337.7	383.2	393.0	399.5	388.5	390.4	397.3
Dairy products	168.5	173.4	188.4	197.0	207.9	208.3	209.0	215.2	218.3	218.2
Processed fruits and vegetables	170.2	187.3	202.6	210.1	221.3	221.4	223.1	224.4	225.0	223.3
Refined sugar ³	n.a.	n.a.	109.3	115.0	114.2	113.7	113.7	115.1	115.5	116.8
Vegetable oil and products	174.2	198.6	209.4	212.2	219.3	219.7	225.5	229.8	233.0	232.6
Consumer finished goods less foods	161.8	172.1	188.9	188.3	202.1	205.2	208.4	212.1	215.9	220.6
Beverages, alcoholic	138.1	139.7	148.2	152.0	159.9	160.8	161.1	162.8	163.3	165.0
Beverages, nonalcoholic	187.2	198.1	212.1	217.7	226.3	226.5	228.0	229.4	233.0	233.1
Apparel	139.9	147.3	152.4	154.1	159.3	160.0	160.1	161.1	161.6	162.1
Footwear	158.9	168.7	183.2	190.7	215.8	219.7	222.3	225.6	226.2	226.9
Tobacco products	163.0	179.8	198.5	203.9	213.9	213.9	214.6	221.1	221.7	221.9
Intermediate materials ⁴	189.3	201.7	215.5	220.8	238.2	239.8	244.2	247.1	250.7	254.6
Materials for food manufacturing	180.6	181.7	202.3	210.0	222.5	222.2	226.4	225.1	228.6	225.3
Flour	147.8	118.9	141.5	146.5	165.5	171.4	187.3	183.6	184.0	183.9
Refined sugar ⁵	n.a.	n.a.	109.3	115.0	116.2	117.7	118.3	119.3	118.6	119.3
Crude vegetable oils	162.5	197.5	219.2	232.7	238.8	250.1	264.4	258.2	255.4	240.1
Crude materials ⁶	205.1	214.4	240.2	249.2	282.3	283.0	287.3	281.7	287.9	289.2
Foodstuffs and feedstuffs	190.1	190.9	215.4	224.0	251.9	248.2	254.1	243.6	248.7	247.1
Fruits and vegetables ²	178.4	192.2	218.2	214.2	228.2	226.2	226.6	241.6	208.2	217.8
Grains	205.9	165.0	182.5	182.0	210.3	218.7	247.4	229.1	224.4	229.0
Livestock ⁷	173.3	173.0	220.1	235.1	280.7	264.0	256.0	240.2	256.4	251.7
Poultry, live	166.9	175.4	199.8	184.9	216.3	182.9	183.8	171.9	173.5	162.0
Fibers, plant and animal	223.9	202.3	193.4	210.3	207.6	219.5	207.6	207.9	211.3	212.9
Milk	201.2	202.6	219.7	231.8	242.0	243.8	247.6	250.0	258.5	258.5
Oilseeds	204.4	236.7	224.1	226.7	248.1	258.7	261.8	252.1	242.2	235.8
Coffee, green	305.5	505.1	378.2	364.8	351.3	396.1	498.7	486.0	485.1	492.7
Tobacco, leaf	164.2	176.1	190.8	200.1	206.3	206.3	199.8	208.8	214.4	n.a.
Sugar, raw cane	185.5	149.5	190.2	206.9	195.1	206.5	208.4	216.2	216.1	223.7
All commodities	183.0	194.2	209.3	214.9	232.0	233.5	236.6	238.1	241.7	245.2
Industrial commodities	182.4	195.1	209.4	214.7	231.1	234.0	237.2	240.3	243.8	248.5
All foods ⁷	178.9	186.8	206.5	212.5	226.4	223.9	225.0	224.5	228.2	226.8
Farm products and processed foods and feeds	183.1	188.8	206.7	213.2	230.8	229.0	232.0	227.3	231.7	230.6
Farm products	191.0	192.5	212.7	219.4	245.4	242.8	246.8	238.5	241.0	239.5
Processed foods and feeds	178.0	186.1	202.6	209.0	222.0	220.6	223.0	220.3	225.7	224.8
Cereal and bakery products	172.1	173.2	190.2	193.3	204.9	206.3	210.5	215.1	217.7	219.2
Sugar and confectionery	190.9	177.5	197.8	205.4	207.6	211.1	215.7	218.3	217.3	218.6
Beverages	173.5	200.9	200.1	201.1	205.3	208.5	213.7	215.9	217.9	219.2
Wholesale spot prices, 9 foodstuffs	201.6	208.2	239.1	254.0	254.4	256.5	259.3	254.3	259.1	252.3

¹ Commodities ready for sale to ultimate consumer. ² Fresh and dried. ³ Consumer size packages, Dec. 1977=100. ⁴ Commodities requiring further processing to become finished goods. ⁵ For use in food manufacturing. ⁶ Products entering market for the first time which have not been manufactured at that point. ⁷ Includes all processed food (except soft drinks, alcoholic beverages, and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables. n.a. = not available.

Farm-Retail Price Spreads

Market basket of farm foods

	Annual			1978p	1979p					
	1976	1977	1978p	Oct	May	June	July	Aug	Sept	Oct
Market basket¹:										
Retail cost (1967=100)	175.4	179.2	199.4	205.1	224.2	224.9	225.9	223.5	223.7	224.1
Farm value (1967=100)	177.8	178.1	207.4	214.4	235.9	231.1	229.6	223.9	227.7	222.6
Farm-retail spread (1967=100)	174.0	180.0	194.5	199.5	217.0	221.0	223.5	223.1	221.2	224.8
Farm value/retail cost (%)	38.3	37.5	39.3	39.5	39.8	38.8	38.4	37.8	38.4	37.5
Meat products:										
Retail cost (1967=100)	178.5	174.3	206.8	215.3	252.1	249.6	248.0	237.8	238.1	238.6
Farm value (1967=100)	170.1	169.8	211.5	224.6	259.4	242.2	236.0	222.6	233.1	227.1
Farm-retail spread (1967=100)	189.5	180.0	200.6	203.2	242.6	259.2	263.6	257.4	244.5	253.5
Farm value/retail cost (%)	53.8	55.0	57.8	58.9	58.1	54.8	53.7	52.9	55.3	53.7
Dairy products:										
Retail cost (1967=100)	168.5	173.3	185.5	191.1	203.8	205.5	206.3	208.6	211.3	213.3
Farm value (1967=100)	185.9	187.2	204.3	214.2	227.6	231.3	232.8	235.5	239.9	239.7
Farm-retail spread (1967=100)	153.3	161.3	169.2	170.9	183.0	183.1	183.2	185.2	186.4	190.3
Farm value/retail cost (%)	51.4	50.3	51.3	52.2	52.0	52.3	52.5	52.6	52.9	52.3
Poultry:										
Retail cost (1967=100)	157.0	158.1	172.9	177.3	188.0	187.2	186.2	177.1	174.8	170.3
Farm value (1967=100)	174.4	178.5	202.7	201.2	213.4	203.0	195.2	177.9	180.6	166.1
Farm-retail spread (1967=100)	140.2	138.4	144.1	154.2	163.4	171.9	177.5	176.3	169.2	174.3
Farm value/retail cost (%)	54.6	55.5	57.7	55.8	55.8	53.3	51.6	49.4	50.8	48.0
Eggs:										
Retail cost (1967=100)	174.9	169.1	157.8	159.1	172.9	161.9	165.8	161.8	170.7	161.3
Farm value (1967=100)	201.9	187.5	178.7	178.6	180.5	183.3	185.7	183.6	199.4	176.0
Farm-retail spread (1967=100)	135.8	142.5	127.5	130.9	161.9	131.1	137.1	130.3	129.3	140.1
Farm value/retail cost (%)	68.2	65.5	66.9	66.4	61.7	66.9	66.2	67.1	69.0	64.5
Cereal and bakery products:										
Retail cost (1967=100)	180.8	183.7	199.9	205.1	216.2	217.8	220.1	223.7	225.6	227.0
Farm value (1967=100)	162.3	138.2	163.9	164.6	181.6	196.1	203.4	200.6	202.7	202.5
Farm-retail spread (1967=100)	184.6	193.2	207.3	213.5	223.4	222.3	223.6	228.5	230.3	232.1
Farm value/retail cost (%)	15.4	12.9	14.1	13.8	14.4	15.4	15.8	15.4	15.4	15.3
Fresh fruits:										
Retail cost (1967=100)	161.3	187.9	230.1	258.1	259.3	276.5	291.4	304.8	285.4	272.8
Farm value (1967=100)	146.7	177.2	228.8	234.0	221.1	251.7	268.7	306.3	258.7	258.0
Farm-retail spread (1967=100)	167.8	192.7	230.7	268.9	276.4	287.6	301.6	304.1	297.4	279.5
Farm value/retail cost (%)	28.2	29.2	30.8	28.1	26.4	28.2	28.6	31.1	28.1	29.3
Fresh Vegetables:										
Retail costs (1967=100)	179.1	200.6	216.2	200.1	213.6	222.0	222.4	210.7	200.3	212.2
Farm value (1967=100)	184.4	205.4	216.3	171.3	186.0	195.2	205.5	200.3	165.4	176.3
Farm-retail spread (1967=100)	178.5	198.3	216.2	213.7	226.6	234.6	230.3	215.6	216.7	229.1
Farm value/retail costs (%)	32.9	32.8	32.0	27.4	27.8	28.1	29.6	30.4	26.4	26.6
Processed fruits and vegetables:										
Retail cost (1967=100)	181.7	190.2	208.7	212.5	224.2	225.4	227.8	229.2	230.6	230.1
Farm value (1967=100)	202.8	188.5	213.3	230.3	238.1	240.3	242.1	241.4	240.3	241.4
Farm-retail spread (1967=100)	177.1	190.6	207.7	208.6	221.1	222.1	224.6	226.5	228.5	227.6
Farm value/retail costs (%)	20.2	18.0	18.5	19.6	19.3	19.3	19.3	19.1	18.9	19.0
Fats and oils:										
Retail costs (1967=100)	176.7	192.0	209.6	216.3	225.3	226.3	227.4	228.9	231.5	231.9
Farm value (1967=100)	206.4	249.3	257.4	262.4	279.5	293.3	288.9	290.9	291.6	255.0
Farm-retail spread (1967=100)	165.2	169.9	191.1	198.6	204.4	200.5	206.1	205.0	208.4	223.0
Farm value/retail cost (%)	32.5	36.1	34.1	33.7	34.5	36.0	34.6	35.3	35.0	30.5

¹ Market basket statistics are based on the weighting structure of the Consumer Price Index for all urban consumers (CPI-U). Retail costs are based on indexes of retail prices for domestically produced farm foods from the CPI-U published monthly by the Bureau of Labor Statistics. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods.

Farm-retail price spreads

	Annual			1978	1979p					
	1976	1977	1978p	Oct	May	June	July	Aug	Sept	Oct
Beef, Choice:¹										
Retail price ² (cts./lb.)	148.2	148.4	181.9	187.6	240.2	233.6	232.2	220.9	226.6	224.3
Net carcass value ³ (cts.)	91.5	93.8	119.3	121.4	160.4	152.4	148.0	139.9	151.8	145.9
Net farm value ⁴ (cts.)	84.1	85.5	111.1	112.7	150.5	140.9	137.6	129.5	142.1	136.9
Farm-retail spread (cts.)	64.1	62.9	70.8	74.9	89.7	92.7	94.6	91.4	84.5	87.4
Carcass-retail spread ⁵ (cts.)	56.7	54.6	62.6	66.2	79.8	81.2	84.2	81.0	74.8	78.4
Farm-carcass spread ⁶ (cts.)	7.4	8.3	8.2	8.7	9.9	11.5	10.4	10.4	9.7	9.0
Farm value/retail price (%)	57	58	61	60	63	60	59	59	63	61
Pork:¹										
Retail price ² (cts./lb.)	134.0	125.4	143.6	149.4	149.3	144.5	142.4	135.9	135.6	134.3
Wholesale value ³ (cts.)	105.2	99.0	107.7	114.8	99.9	96.7	93.4	92.0	94.8	90.1
Net farm value ⁴ (cts.)	71.0	65.6	76.6	82.6	68.2	63.2	61.1	59.8	60.5	54.1
Farm-retail spread (cts.)	63.0	59.8	67.0	66.8	81.1	81.3	81.3	76.1	75.1	80.2
Wholesale-retail spread ⁵ (cts.)	28.8	26.4	35.9	34.6	49.4	47.8	49.0	43.9	40.8	44.2
Farm-wholesale spread ⁶ (cts.)	34.2	33.4	31.1	32.2	31.7	33.5	32.3	32.2	34.3	36.0
Farm value/retail price (%)	53	52	53	55	46	44	43	44	45	40

¹ Revised series, for historical data and methodology see August 1978 Issue of *Livestock and Meat Situation*, LMS-222. ² Estimated weighted average price of retail cuts from pork and yield grade 3 beef carcasses. Retail prices from USDA's meat price survey. ³ Value of carcass quantity equivalent to 1 lb. of retail cuts—beef adjusted for value of fat and bone byproducts. ⁴ Market value to producer for quantity of live animal equivalent to 1 lb. retail cuts minus value of byproducts. ⁵ Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. ⁶ Represents charges made for livestock marketing, processing, and transportation to city where consumed. p Preliminary.

Transportation Data

Rail rates, grain and fruit and vegetable shipments

	Annual			1978	1979					
	1976	1977	1978	Oct	May	June	July	Aug	Sept	Oct
Rail freight rate index¹										
All products (1969=100)	186.6	199.1	213.0	215.8	233.3	235.9	239.4	241.8	244.4	261.3
Farm products (1969=100)	182.7	191.3	204.9	207.4	225.7	227.9	231.1	233.6	235.9	252.7
Food products (1969=100)	185.1	195.3	210.0	212.6	229.6	232.7	235.9	238.0	240.5	260.0
Rail carloadings of grain (thou. cars) ²	25.5	23.9	25.8	28.7	25.8	30.1	31.4	29.6	28.7	32.2
Barge shipments of grain (mil. bu.) ³	31.0	29.3	31.3	37.9	33.1	34.8	37.3	33.9	33.3	39.8
Fresh fruit and vegetable shipments										
Rail (thou. carlots) ^{2, 4, 5}	83.8	1,552	915	858	1,132	2,388	1,192	631	782	6,228
Truck (thou. carlots) ^{2, 4, 5}	17.0	6,596	7,322	7,340	8,744	8,735	7,609	6,676	793	6,729

¹ Department of Labor, Bureau of Labor Statistics. ² Weekly average; from Association of American Railroads. ³ Weekly average; from Agricultural Marketing Service, USDA. ⁴ Preliminary data for 1979. ⁵ Shipments reported in 1000 hundredweight. Typical truck loads are about 40,000 pounds and average railcar loads in 1975 were about 60,000 pounds. ⁶ Thousand carlots.

Livestock and Products

Livestock and products output and prices

	1977	1978		1979						1980	
	Annual	III	IV	Annual	I ¹	II ¹	III ¹	IV	Annual	I ¹	II ¹
Beef (mil. lb.)	24,986	5,923	6,043	24,010	5,546	5,076	5,219	5,300	21,141	5,200	5,175
Change (pct.) ²	-3	-6	-3	-4	-9	-15	-12	-12	-12	-6	+2
Pork (mil. lb.)	13,051	3,160	3,541	13,209	3,399	3,760	3,779	4,300	15,238	4,100	4,250
Change (pct.) ²	+5	+3	+1	+1	+5	+15	+20	+21	+15	+21	+13
Veal (mil. lb.)	794	139	134	600	115	98	99	100	412	90	75
Change (pct.) ²	-2	-32	-33	-24	-35	-34	-29	-33	-31	-22	-23
Lamb and mutton (mil. lb.)	341	73	76	300	72	71	68	70	281	75	75
Change (pct.) ²	-6	-13	-6	-12	-4	-7	-7	-8	-7	+4	+6
Red meats (mil. lb.)	39,172	9,295	9,794	38,119	9,132	9,005	9,165	9,770	37,072	9,465	9,575
Change (pct.) ²	0	-4	-2	-3	-5	-4	-1	0	-3	+4	+6

See footnote at end of table.

Livestock and products output and prices—continued

Broilers (mil. lb.)	9,227	2,567	2,443	9,884	2,551	2,844	2,855	2,645	10,895	2,625	2,840
Change (pct.) ²	+3	+6	+9	+7	+10	+12	+11	+8	+10	+3	0
Turkeys (mil. lb.)	1,892	680	676	1,984	271	465	720	715	2,171	350	560
Change (pct.) ²	-3	+1	+5	+5	+19	+16	+6	+6	+9	+29	+20
Total meats (mil. lb.)	50,291	12,542	12,913	49,987	11,954	12,314	12,740	13,138	50,146	12,440	12,975
Change (pct.) ²	0	-2	0	-1	-1.7	-0.5	+1.6	+1.7	+0.3	+4	+5
Eggs (mil. doz.)	5,408	1,380	1,444	5,596	1,419	1,422	1,415	1,470	5,726	1,445	1,435
Change (pct.) ²	+1	+4	+2	+3	+3	+2	+3	+2	+2	+2	+1
Milk (bil. lb.)	122.7	30.5	29.0	121.9	30.0	32.8	31.1	29.5	123.4	30.7	33.2
Change (pct.) ²	+2	-1	0	-1	+1	0	+2	+2	+1	+2	+1
Total livestock and products (1974=100)	106.2	106.0	105.6	105.7	102.1	106.7	107.2	107.7	105.9	105.0	110.3
Change (pct.) ²	+7	-1.5	+1	-5	-8	-6	+1.1	+2.0	+2	+2.8	+3.4
Prices											
Choice steers, Omaha (\$ per cwt.)	40.38	53.75	54.76	52.34	65.42	72.51	65.88	66-68	67-69	68-72	67-71
Barrows and gilts, 7-markets (\$ per cwt.)	41.07	48.52	50.05	48.49	51.98	43.04	38.52	35-37	41-43	36-38	33-35
Broilers, 9-city wholesale (cts. per lb.) ⁴	40.8	46.6	42.1	44.5	47.5	47.7	40.8	39-41	43-45	41-43	41-43
Turkeys, N.Y., wholesale (cts. per lb.) ⁵	54.0	68.2	77.1	66.7	70.2	66.2	63.1	70-72	67-68	63-67	57-61
Eggs, cartonized, Grade A large, N.Y. (cts. per doz.)	63.3	63.0	67.8	61.7	71.9	66.2	65.2	68-70	68-69	65-67	59-61
Milk, all at farm (\$ per cwt.)	9.71	10.50	11.57	10.58	11.87	11.53	11.97	12.75-12.85	12.00-12.05	12.65-12.95	12.95-13.15
Livestock prices received by farmers (1967=100)	175	221	234	217	263	265	248	247	256	—	—

¹ Forecast. ² Change from year-earlier. ³ Does not add due to rounding of quarterly data. ⁴ Weighted average. ⁵ 8-16 pound young hens.

Dairy:

	Annual			1978	1979					
	1976	1977	1978	Oct.	May	June	July	Aug.	Sept.	Oct.
Milk production:										
Total milk (mil. lb.)	120,269	122,698	121,928	9,832	11,175	10,982	10,705	10,400	10,016	10,081
Milk per cow (lb.)	10,879	11,181	11,240	907	1,040	1,023	997	968	930	937
Number of milk cows (thou.)	11,055	10,974	10,848	10,837	10,744	10,735	10,738	10,740	10,769	10,762
Milk prices, Minnesota-Wisconsin:										
3.5% fat (\$/cwt.) ¹	8.48	8.58	9.57	10.18	10.67	10.76	10.87	11.09	11.32	11.25
Price of 16% dairy ration (\$/ton)	141	140	138	138	150	152	162	159	160	163
Milk-feed price ratio (lb.) ²	1.37	1.39	1.53	1.64	1.53	1.51	1.43	1.50	1.54	1.55
Stocks, beginning										
Total milk equiv. (mil. lb.) ³	3,844	5,708	8,626	10,672	8,907	9,837	10,515	10,868	10,403	9,899
Commercial (mil. lb.)	3,719	5,299	4,916	5,251	5,140	5,872	6,252	6,684	6,611	6,447
Government (mil. lb.)	124	410	3,710	5,421	3,767	3,965	4,263	4,184	3,793	3,451
Imports, total equiv. (mil. lb.) ³	1,943	1,968	2,305	203	153	186	168	201	179	n.a.
USDA net removals:										
Total milk equiv. (mil. lb.) ³	1,236	6,080	2,743	3.9	573.5	192.0	64.8	44.4	2.4	211.0
Butter:										
Production (mil. lb.)	978.6	1,085.6	994.3	70.6	98.6	84.7	74.8	64.9	61.5	n.a.
Stocks, beginning (mil. lb.)	10.9	47.1	184.9	266.7	216.5	239.1	260.1	257.3	238.5	218.0
Wholesale price, Grade A Chi. (cts./lb.)	92.0	98.4	109.8	115.6	121.8	121.8	122.7	128.7	127.8	128.8
USDA net removals (mil. lb.)	39.4	221.8	112.0	0	26.8	8.1	4-1.0	4-2.4	0	9.8
Commercial disappearance (mil. lb.) ⁴	919.0	859.8	903.5	72.8	59.3	69.5	74.6	67.5	65.9	n.a.
American cheese:										
Production (mil. lb.)	2,048.8	2,043.1	2,074.2	156.7	210.6	210.9	195.2	181.8	167.4	n.a.
Stocks, beginning (mil. lb.)	307.8	411.4	422.1	433.3	378.0	417.2	432.2	464.2	459.4	455.1
Wholesale price, Wis. assembly pt. (cts./lb.)	96.3	96.8	107.1	115.5	121.1	121.8	123.7	128.5	131.5	128.8
USDA net removals (mil. lb.)	38.0	148.2	39.7	0	1.7	2.2	8.3	-3	0	.7
Commercial disappearance (mil. lb.)	1,920.9	1,958.8	2,064.7	171.7	170.0	195.2	156.1	186.9	172.0	n.a.

See footnote at end of table.

Dairy—continued

Other Cheese:										
Production (mil. lb.)	1,271.4	1,315.5	1,445.1	122.6	129.1	133.8	123.8	129.1	124.0	n.a.
Stocks, beginning (mil. lb.)	60.8	67.1	64.0	79.4	75.7	78.7	88.0	91.4	89.2	85.5
Commercial disappearance (mil. lb.)	1,458.0	1,512.3	1,655.1	147.5	140.5	145.7	139.2	152.7	147.6	n.a.
Nonfat dry milk:										
Production (mil. lb.)	926.2	1,106.6	920.4	48.1	104.8	112.2	94.5	78.7	55.6	n.a.
Stocks, beginning (mil. lb.)	468.9	485.4	677.9	681.0	518.1	524.6	538.3	558.8	560.4	549.9
Wholesale price, avg. manf. (cts./lb.)	63.4	66.5	71.4	73.2	79.4	79.5	79.7	80.1	80.7	n.a.
USDA net removals (mil. lb.)	157.1	461.7	285.0	6.9	44.8	49.8	41.4	15.0	10.0	18.6
Commercial disappearance (mil. lb.)	719.2	682.2	658.4	52.6	34.5	44.6	58.3	76.9	59.5	n.a.
Frozen dessert production (mil. gal.) ⁴	1,154.0	1,167.6	1,170.4	91.9	108.6	119.3	118.0	123.8	100.6	n.a.

¹ Manufacturing grade milk. ² Pounds of 16% protein ration equal in value to 1 pound of milk. ³ Milk equivalent, fat-solids basis. ⁴ Domestic sales exceeded purchases.
⁵ Less than 50,000 pounds. ⁶ Ice cream, ice milk, and sherbert. n.a. = not available.

Poultry and eggs:

	Annual			1978	1979					
	1976	1977	1978	Oct	May	June	July	Aug	Sept	Oct
Eggs										
Farm production (mil.)	64,520	64,886	67,155	5,478	5,803	5,574	5,719	5,706	5,553	5,790
Average number of layers on farms (mil.)	274	275	281	285	282	280	281	281	284	287
Rate of lay (eggs per layer)	235	236	239	201	20.6	19.9	20.4	20.3	19.6	20.2
Cartoned price, New York, grade A large (cts./doz.) ¹	70.3	63.3	61.7	62.1	62.6	66.1	64.0	67.0	64.7	63.2
Price of laying feed (\$/ton)	151	152	152	150	163	166	177	174	173	174
Egg-feed price ratio (lb.) ²	7.8	7.3	6.9	7.0	7.0	6.7	6.0	6.0	6.3	6.0
Stocks, beginning of period:										
Shell (thou. cases)	22	28	39	43	19	27	23	33	28	30
Frozen (mil. lb.)	36.3	26.1	29.7	28.7	21.7	21.6	22.8	25.8	24.7	24.1
Replacement chicks hatched (mil.)	492	502	492	37.7	55.7	47.3	42.4	41.7	35.8	39.5
Broilers										
Federally inspected slaughter, certified (mil. lb.)	8,987	9,227	9,883	896.4	1,013.5	940.7	965.3	1,026.3	863.2	1,038.0
Wholesale price, 9-city, (cts./lb.)	40.2	40.8	44.5	42.0	49.4	46.1	42.8	39.6	39.9	37.0
Price of broiler grower feed (\$/ton)	168	171	169	169	184	186	199	199	195	196
Broiler-feed price ratio (lb.) ²	2.8	2.7	3.1	2.9	3.2	2.8	2.6	2.3	2.4	2.2
Stocks, beginning of period (mil. lb.)	22.3	32.9	29.4	21.1	16.3	16.8	18.6	23.4	25.5	28.9
Average weekly placements of broiler chicks, 21 States (mil.)	63.6	66.7	71.0	67.1	83.4	84.4	79.1	78.0	72.5	70.4
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	1,950	1,892	1,983	271.2	157.3	195.9	219.2	267.7	233.0	297.5
Wholesale price, New York, 8-16 lb. young hens (cts./lb.)	48.7	54.0	66.7	72.7	65.2	64.7	63.0	63.0	63.3	68.4
Price of turkey grower feed (\$/ton)	174	184	182	183	201	203	214	206	206	207
Turkey-feed price ratio (lb.) ²	3.7	3.8	4.6	5.0	4.2	3.9	3.6	3.7	3.7	3.9
Stocks, beginning of period (mil. lb.)	195.2	203.4	167.9	488.9	128.9	152.9	200.9	271.3	382.4	431.3
Poult hatched (mil.)	149.5	148.4	158.1	6.4	21.8	19.9	16.8	11.5	8.0	8.9

¹ Price of cartoned eggs to volume buyers for delivery to retailers. ² Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight.

Meat animals²

	Annual			1978	1979					
	1976	1977	1978	Oct	May	June	July	Aug	Sept	Oct
Cattle on feed (7-States):										
Number on feed (thou. head) ¹	8,537	8,213	8,927	8,541	7,668	7,698	7,562	7,203	6,837	7,415
Placed on feed (thou. head) ²	18,976	20,809	22,597	2,779	1,851	1,543	1,224	1,342	2,048	2,385
Marketings (thou. head)	18,167	18,701	20,301	1,865	1,603	1,521	1,475	1,626	1,384	1,639
Other disappearance (thou. head)	1,133	1,383	1,997	153	218	158	108	82	86	144
Beef steer-corn price ratio, Omaha (bu.) ³	15.2	19.9	24.8	26.8	30.8	26.4	24.7	25.7	26.5	28.12
Hog-corn price ratio, Omaha (bu.) ³	16.5	20.2	22.9	25.5	18.1	15.2	14.1	15.4	16.2	14.7
Commercial slaughter (thou. head)⁴										
Cattle	42,654	41,856	39,552	3,408	2,792	2,715	2,659	3,030	2,549	3,034
Steers	18,879	19,342	18,526	1,537	1,486	1,466	1,377	1,556	1,285	1,493
Heifers	12,158	11,748	11,758	1,080	773	766	800	939	781	928
Cows	10,619	9,864	8,470	716	480	434	431	478	429	550
Bulls and stags	998	902	798	75	53	49	51	57	54	63
Calves	5,350	5,517	4,170	331	214	193	218	241	217	254
Sheep and lambs	6,714	6,356	5,369	476	434	385	400	435	428	474
Hogs	73,784	77,303	77,315	6,840	7,564	6,940	7,002	7,956	7,118	9,098
Commercial Production (mil. lb.)										
Beef	25,667	24,986	24,010	2,103	1,765	1,724	1,682	1,919	1,618	1,940
Veal	813	794	600	48	33	32	34	34	31	37
Lamb and mutton	361	341	300	27	25	21	22	23	23	26
Pork	12,488	13,051	13,209	1,176	1,309	1,213	1,221	1,352	1,206	1,553
Market prices					Dol. per 100 pounds					
Slaughter cattle:										
Choice steers, Omaha	39.11	40.38	52.34	54.93	73.99	68.53	67.06	62.74	67.84	65.81
Utility cows, Omaha	25.31	25.32	36.79	40.46	55.51	50.60	47.80	48.33	49.65	47.71
Choice vealers, S. St. Paul	45.18	48.19	69.24	81.82	110.35	94.25	92.29	88.74	96.68	96.48
Feeder cattle:										
Choice, Kansas City, 600-700 lb.	39.40	40.19	58.78	64.88	88.32	82.19	82.48	79.31	85.34	81.29
Slaughter hogs:										
Barrows and gilts, 7-markets	43.11	41.07	48.49	52.23	43.79	40.29	38.73	38.21	38.62	34.70
Feeder pigs:										
S. Mo. 40-50 lb. (per head)	36.54	35.42	48.16	51.84	40.89	30.11	24.14	24.58	29.30	23.10
Slaughter sheep and lambs:										
Lambs, Choice, San Angelo	49.87	54.28	65.33	62.50	73.20	68.83	65.83	62.65	67.75	66.50
Ewes, Good, San Angelo	17.69	19.19	28.97	33.25	32.85	28.88	31.83	29.60	28.56	25.55
Feeder lambs:										
Choice, San Angelo	51.28	55.12	75.61	78.00	76.15	71.12	70.25	71.00	74.25	70.0
Wholesale meat prices, Midwest⁵										
Choice steer beef, 600-700 lb.	60.99	62.69	80.43	82.14	108.64	103.56	99.85	94.13	101.91	98.32
Canner and Cutter cow beef	52.00	51.58	74.61	80.25	105.22	97.12	95.08	103.50	94.62	97.59
Pork loins, 8-14 lb.	86.45	83.04	95.99	106.24	92.06	96.43	87.62	83.98	88.41	80.07
Pork bellies, 12-14 lb.	65.27	54.19	62.50	61.58	46.57	44.09	38.95	36.51	38.63	33.51
Hams, skinned, 14-17 lb.	79.79	76.50	86.37	99.71	72.29	70.17	64.48	66.84	70.64	75.84

	Annual			1978			1979			
	1976	1977	1978	II	III	IV	I	II	III	IV
Cattle on feed (23-States):										
Number on feed (thou. head) ¹	12,328	11,948	12,811	11,741	10,924	11,347	12,681	11,074	10,309	9,928
Placed on feed (thou. head) ²	25,508	27,651	29,077	6,558	7,352	8,677	5,876	6,113	5,952	—
Marketings (thou. head)	24,170	24,853	26,649	6,621	6,523	6,734	6,770	6,110	5,981	—
Other disappearance (thou. head) ³	1,718	1,935	2,558	754	406	609	713	768	352	—
Hogs and pigs (14-States):⁴										
Inventory (thou. head) ¹	41,855	47,120	48,308	44,680	47,205	49,300	51,220	50,935	55,540	56,990
Breeding (thou. head) ¹	6,368	6,788	7,324	6,946	7,450	7,463	8,095	8,333	8,696	8,237
Market (thou. head) ¹	35,487	40,332	40,984	37,734	39,755	41,837	43,125	42,602	46,844	48,753
Farrowings (thou. head)	9,996	10,362	10,609	2,870	2,658	2,796	2,660	3,486	3,110	⁷ 3,157
Pig crop (thou. head)	72,580	74,161	75,564	20,716	19,195	20,027	18,266	24,994	22,253	—

¹ Beginning of period. ² Other disappearance excluded in 1973; not comparable with 1974 and 1975. ³ Bushels of corn equal in value to 100 pounds liveweight. ⁴ 220-240 lb. Beginning in January 230-240 lb. ⁵ Prior to Oct. 1975, Chicago. ⁶ Quarters are Dec. preceding year-Feb. (I), Mar-May (II), June-Aug (III), and Sept-Nov (IV). ⁷ Intentions. ⁸ Classes estimated.

Wool:

	Annual			1978	1979					
	1976	1977	1978	Oct	May	June	July	Aug	Sept	Oct
U.S. wool price, Boston ¹ (cts./lb.)	182	183	189	198	220	218	218	218	220	230
Imported wool price, Boston ² (cts./lb.)	214	224	230	235	271	271	271	271	243	257
U.S. mill consumption, scoured										
Apparel wool (thou. lb.)	106,629	95,485	102,246	8,066	8,521	7,818	7,497	7,552	6,919	n.a.
Carpet wool (thou. lb.)	15,117	12,526	13,009	1,182	814	726	681	813	805	n.a.

¹ Wool price delivered at U.S. mills, clean basis, Graded Territory 64's (20.60-22.04 microns) staple 2½" and up. Prior to January 1976 reported as: Territory fine, good French combing and staple. ² Wool price delivered at U.S. mills, clean basis, Australian 64's, type 78, including duty (25.5 cents). Prior to January 1976 reported as: Australian 64's combing, excluding duty. n.a. Not available.

Supply and Utilization: Crops and Livestock

Supply and utilization of major crops¹

	Domestic measure ²				Metric measure ²			
	1977/78	1978/79 estimated	1979/80		1977/78	1978/79 estimated	1979/80	
			Projected	Probable variability ³			Projected	Probable variability ⁴
Wheat:								
Area								
Mil. acres								
Planted	75.1	66.1	71.2	—	30.3	26.8	—	—
Harvested	66.5	56.8	62.2	—	26.8	22.9	—	—
Bu. per acre								
Yield per harvested unit	30.6	31.6	34.0	—	2.1	2.2	—	—
Metric tons per hectare								
Mil. bu.								
Beginning stocks	1,112	1,177	925	—	30.3	32.0	25.2	—
Production	2,036	1,799	2,114	+25 to -25	55.4	49.0	57.5	—
Imports	2	1	2	—	—	—	—	—
Supply, total	3,150	2,977	3,041	+25 to -25	85.7	81.0	82.8	—
Domestic	849	858	790	+35 to -35	23.1	23.3	21.5	—
Exports	1,124	1,194	1,400	+100 to -100	30.6	32.5	38.1	—
Use, total	1,973	2,052	2,190	+110 to -110	53.7	55.8	59.6	—
Ending stocks	1,177	925	851	+110 to -110	32.0	25.2	23.2	—
Dol. per bu.								
Price received by farmers	2.33	³ 2.94	3.60-3.90	—	86	³ 108	132-143	—
Price, Kansas City, No. 1 HRW	2.72	3.38	⁴ 4.26	—	100	124	⁴ 156	—
Rice:								
Area								
Mil. acres								
Allotment	1.80	1.80	1.80	—	.73	.73	—	—
Planted	2.26	3.00	3.05	—	.91	1.23	—	—
Harvested	2.25	2.98	3.02	—	.91	1.23	—	—
Lb. per acre								
Yield per harvested unit	4,412	4,493	4,626	—	4.94	5.06	—	—
Metric tons per hectare								
Mil. cwt.								
Beginning stocks	40.5	27.4	31.6	—	1.8	1.2	1.5	—
Production	99.2	133.8	139.6	+3 to -3	4.5	6.1	6.3	—
Imports	.1	.1	—	—	—	—	—	—
Supply, total	139.8	161.3	171.2	+3 to -3	6.3	7.3	7.8	—
Domestic	37.7	48.0	50.5	+2 to -2	1.7	2.2	2.3	—
Exports	72.8	76.9	79.0	+5 to -5	3.3	3.5	3.6	—
Use, total	110.5	124.9	129.5	+6 to -6	5.0	5.7	5.9	—
Ending stocks	27.4	31.6	41.7	+6 to -6	1.2	1.5	1.9	—
Difference unaccounted	+1.9	+4.8	—	—	—	—	—	—
Dol. per cwt.								
Price received by farmers	9.49	³ 8.00	8.75-9.75	—	209	³ 176	193-215	—
Price, long-grain milled, S.W. La.	21.28	18.41	⁴ 21.68	—	469	406	⁴ 478	—
Feed grains: ⁵								
Area								
Mil. acres								
Planted	128.9	122.6	117.6	—	—	—	—	—
Harvested	108.0	104.3	99.9	—	—	—	—	—
Metric tons per acre								
Yield per harvested unit	1.88	2.08	2.30	—	—	—	—	—
Metric tons per hectare								
Mil. short tons								
Beginning stocks	—	—	—	—	29.9	41.2	45.8	—
Production	—	—	—	—	203.4	217.3	229.3	+4 to -4
Imports	—	—	—	—	.3	.3	.3	—
Supply, total	—	—	—	—	233.6	258.8	275.4	+4 to -4
Feed	—	—	—	—	117.3	133.1	136.9	+9 to -9
Food, seed, and industrial uses	—	—	—	—	18.8	19.7	20.0	—
Domestic, total	—	—	—	—	136.1	152.8	156.9	+9 to -9
Exports	—	—	—	—	56.3	60.2	71.1	+5 to -5
Use, total	—	—	—	—	192.4	213.0	228.0	+12 to -12
Ending stocks	—	—	—	—	41.2	45.8	47.4	+8 to -8

See footnotes at end of table.

Supply and utilization of major crops¹ —Continued

	Domestic measure ²				Metric measure ²			
	1977/78	1978/79 estimated	1979/80		1977/78	1978/79 estimated	1979/80	
			Projected	Probable variability ^a			Projected	Probable variability ^a
Corn:								
	Mil. acres				Mil. hectares			
Area								
Planted	83.6	79.7	80.0	—	33.5	31.8	—	—
Harvested	70.9	70.0	69.5	—	28.3	27.6	—	—
	Bu. per acre				Metric tons per hectare			
Yield per harvested unit	90.7	101.2	109.2	—	5.71	6.03	—	—
	Mil. bu.				Mil. metric tons			
Beginning stocks	884	1,104	1,285	—	22.5	28.0	32.6	—
Production	6,425	7,082	7,586	+175 to -175	163.2	179.9	192.7	—
Imports	3	1	1	—	(⁶)	(⁶)	(⁶)	—
Supply, total	7,312	8,187	8,872	+175 to -175	185.7	207.9	225.4	—
Feed	3,709	4,194	4,350	+300 to -300	94.2	106.5	110.5	—
Food, seed, and industrial uses	551	575	590	—	14.0	14.6	15.0	—
Domestic, total	4,260	4,769	4,940	+300 to -300	108.2	121.1	125.5	—
Exports	1,948	2,133	2,500	+150 to -150	49.5	54.2	63.5	—
Use, total	6,208	6,902	7,440	+400 to -400	157.7	175.3	189.0	—
Ending stocks	1,104	1,285	1,432	+200 to -200	28.0	32.6	36.4	—
	Dol. per bu.				Dol. per metric ton			
Price received by farmers	2.02	³ 2.20	2.25 - 2.55	—	80	³ 87	89-101	—
Price, Chi., No. 2 yellow	2.26	⁴ 2.54	2.73	—	88.97	⁴ 100.0	107.48	—
Soybeans:								
	Mil. acres				Mil. hectares			
Area								
Planted	58.8	64.0	71.5	—	23.8	25.9	28.9	—
Harvested	57.6	63.3	70.2	—	23.3	25.6	28.4	—
	Bu. per acre				Metric tons per hectare			
Yield per harvested unit	30.6	29.5	31.8	—	2.06	1.98	2.14	—
	Mil. bu.				Mil. metric tons			
Beginning stocks	103	161	173	—	2.8	4.4	4.7	—
Production	1,762	1,870	2,236	+60 to -60	48.0	50.9	60.9	+1.6 to -1.6
Supply, total	1,865	2,031	2,409	+60 to -60	50.8	55.3	65.6	+1.6 to -1.6
Crushings	927	1,018	1,090	+40 to -40	25.2	27.7	29.7	+1.1 to -1.1
Exports	700	753	825	+40 to -40	19.1	20.5	22.5	+1.1 to -1.1
Seed, feed, and residual	77	87	94	—	2.1	2.4	2.6	—
Use, total	1,704	1,858	2,009	+40 to -40	46.4	50.6	54.7	+1.1 to -1.1
Ending stocks	161	173	400	+40 to -40	4.4	4.7	10.9	+1.1 to -1.1
	Dol. per bu.				Dol. per metric ton			
Price received by farmers	5.88	³ 6.75	5.75-6.50	—	216	³ 248	211-239	—
Price, Chi., No. 1 yellow	6.11	⁴ 7.08	7.04	—	224.50	⁴ 260.41	258.67	—
Soybean oil:								
	Mil. lb.				Thou. metric tons			
Beginning stocks	771	729	774	+100 to -100	350	331	351	+45 to -45
Production	10,288	11,323	11,880	+440 to -440	4,667	5,136	5,389	+200 to -250
Supply, total	11,059	12,052	12,654	+440 to -440	5,016	5,467	5,740	+200 to -250
Domestic	8,273	8,944	9,400	+400 to -400	3,753	4,057	4,264	+180 to -180
Exports	2,057	2,334	2,200	+300 to -300	933	1,059	998	+135 to -135
Use, total	10,330	11,278	11,600	+375 to -375	4,686	5,116	5,262	+170 to -170
Ending stocks	729	774	1,054	+300 to -300	331	351	478	+135 to -135
	Cts. per lb.				Cts. per kilogram			
Price, crude, Decatur	24.6	27.4	23-28	—	542	604	507-617	—
Soybean meal:								
	Thou. short tons				Thou. metric tons			
Beginning stocks	228	243	267	+50 to -50	207	220	242	+45 to -45
Production	22,371	24,354	25,885	+950 to -950	20,295	22,094	23,482	+855 to -855
Supply, total	22,599	24,597	26,152	+950 to -950	20,501	22,314	23,723	+855 to -855
Domestic	16,276	17,720	18,800	+800 to -800	14,765	16,075	17,065	+720 to -720
Exports	6,080	6,610	7,000	+400 to -400	5,516	5,996	6,350	+365 to -365
Use, total	22,356	24,330	25,800	+800 to -800	20,281	22,072	23,405	+720 to -720
Ending stocks	243	267	355	+75 to -75	220	242	319	+70 to -70
	Dol. per short ton				Dol. per metric ton			
Price, bulk, Decatur, 44%	164.20	190.10	160.00-200.00	—	181	210	176-220	—

See footnotes at end of table.

Supply and utilization of major crops¹—Continued

	Domestic measure ¹				Metric measure ²			
	1977/78	1978/79 estimated	1979/80		1977/78	1978/79 estimated	1979/80	
			Projected	Probable variability*			Projected	Probable Variability*
Cotton: ⁷								
Area		Mil. acres				Mil. hectares		
Planted	13.7	13.4	14.1	—	5.54	5.41	5.69	—
Harvested	13.3	12.4	13.0	—	5.37	5.01	5.28	—
Yield per harvested unit		Lb. per acre				Metric tons per hectare		
	520	421	535	—	.58	.47	.60	
		Mil. 480-lb. bales				Mil. metric tons		
Beginning stocks ⁸	2.9	5.3	4.0	—	.64	1.16	.87	—
Production	14.4	10.9	14.5	+0.6 to -0.6	3.13	2.36	3.17	+1.3 to -.13
Supply, total ⁹	17.3	16.2	18.5	+6 to -6	3.77	3.53	4.03	+1.3 to -.13
Mil. use	6.5	6.4	6.2	+3 to -3	1.42	1.39	1.35	+0.7 to -.07
Exports	5.5	6.2	6.8	+6 to -6	1.19	1.35	1.48	+1.3 to -.13
Use, total	12.0	12.5	13.0	+5 to -5	2.61	2.72	2.83	+1.1 to -.11
Difference unaccounted ¹⁰	(.6)	.3	(.6)	—	(.6)	.07	(.6)	—
Ending stocks	^a 5.3	^b 4.0	5.6	+9 to -9	^a 1.16	^a .87	1.22	+2.0 to -.20
		Cts. per lb.				Cts. per kilogram		
Price received by farmers	52.3	¹¹ 58.8	—	—	1.15	¹¹ 1.30	—	—
Price, SLM, 1-1/16 in., spot	52.7	61.6	^a 62.4	—	114.7	134.1	^a 135.9	—

¹ Marketing year beginning June 1 for wheat, barley, and oats, August 1 for cotton and rice, September 1 for soybeans, and October 1 for corn, sorghum, and soybean oil and meal. ² Conversion factors: Hectare (ha.)=2.471 acres; and 1 metric ton=2,204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 49.9296 bushels of barley, 69.8944 bushels of oats, 22.046 cwt. of rice, and 4.59 480-pound bales of cotton. ³ Season average estimate. ⁴ Average for beginning of marketing year through Oct. 1979. ⁵ Corn, sorghum, oats, and barley. ⁶ Less than 0.05. ⁷ Upland and extra long staple. ⁸ Based on Census Bureau data. ⁹ Includes imports. ¹⁰ Difference between ending stocks based on Census Bureau data and preceding season's supply less distribution. ¹¹ Average to April 1, 1979.

*Reflects the "root mean square error" and/or "standard error of estimate" from trend and judgement. Chances are about 2 out of 3 that the outcome will fall within the indicated ranges.

Crops and Products

Feed grains:

	Marketing year ¹			1978						
	1975/76	1976/77	1977/78	Oct	May	June	July	Aug	Sept	Oct p
Wholesale prices:										
Corn, No. 2 yellow, Chicago (\$/bu.)	2.75	2.30	2.26	2.22	2.66	2.83	3.00	2.83	2.78	2.73
Sorghum, No. 2 yellow, Kansas City (\$/cwt.)	4.46	3.49	3.54	3.61	3.92	4.41	4.89	4.44	4.34	4.42
Barley, feed, Minneapolis (\$/bu.)	2.38	2.35	1.68	1.81	1.96	2.16	2.39	2.15	2.22	2.34
Barley, malting, Minneapolis (\$/bu.) ²	3.52	3.13	2.27	2.26	2.73	2.80	2.82	2.67	3.10	3.18
Exports:										
Corn (mil. bu.)	1,711	1,684	1,948	140	199	231	223	226	186	n.a.
Feed grains (mil. metric tons) ³	50.0	50.6	56.3	3.9	5.5	6.1	6.0	6.2	5.4	n.a.
	Marketing year ¹			1978			1979			
	1975/76	1976/77	1977/78	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept p	Oct-Dec p
Corn:										
Stocks, beginning (mil. bu.)	361	399	884	3,877	2,837	1,104	6,199	4,421	3,231	n.a.
Domestic use:										
Feed (mil. bu.)	3,592	3,587	3,710	568	793	1,396	1,223	695	873	n.a.
Food, seed, ind. (mil. bu.)	490	513	551	102	197	137	130	108	201	n.a.
Feed grains: ³										
Stocks, beginning (mil. metric tons)	15.3	17.2	29.9	120.3	88.5	52.7	190.4	135.1	99.4	n.a.
Domestic use:										
Feed (mil. metric tons)	116.1	112.6	117.3	17.4	26.9	43.8	38.2	21.1	29.7	n.a.
Food, seed, ind. (mil. metric tons)	17.1	17.9	18.9	3.9	6.6	4.6	4.6	4.1	6.6	n.a.

¹ Beginning October 1 for corn and sorghum; June 1 for oats and barley. ² No. 3 or better, 65% or better plump beginning October 1977. ³ Aggregated data for corn, sorghum, oats, and barley. p Preliminary.

Food grains:

	Marketing year ¹			1978	1979					
	1976/77	1977/78	1978/79	Oct	May	June	July	Aug	Sept	Oct
Wholesale prices:										
Wheat, No. 1 HRW, Kansas City (\$/bu.) ²	2.88	2.72	3.38	3.42	3.64	4.17	4.34	4.12	4.26	4.39
Wheat, DNS, Minneapolis (\$/bu.) ²	2.96	2.66	3.17	3.21	3.62	4.23	4.31	4.10	4.18	4.31
Flour, Kansas City (\$/cwt.)	7.21	6.60	7.81	7.60	8.80	9.08	10.39	10.09	10.08	10.10
Flour, Minneapolis (\$/cwt.)	8.34	7.34	8.17	7.90	9.01	9.29	10.64	10.51	10.46	10.56
Rice, S.W. La. (\$/cwt.) ³	14.60	21.30	18.40	16.15	21.50	21.50	21.50	21.50	21.50	22.05
Wheat:										
Exports (mil. bu.)	950	1,124	1,194	120	86	110	139	126	136	—
Mill grind (mil. bu.)	628	616	622	55	55	50	52	59	52	—
Wheat flour production (mil. cwt.)	279	275	278	25	25	23	24	26	23	—

	Marketing year ¹			1978				1979		
	1975/76	1976/77	1977/78	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept
Wheat:										
Stocks, beginning (mil. bu.)	435	665	1,112	1,994	1,528	1,177	2,137	1,632	1,225	925
Domestic use:										
Food (mil. bu.)	588	588	586	146	94	192	154	147	99	198
Feed and seed (mil. bu.) ⁴	134	160	264	42	19	154	43	36	34	41
Exports (mil. bu.)	1,173	950	1,124	279	238	493	309	224	168	511

¹ Beginning June 1 for wheat and August 1 for rice. ² Ordinary protein. ³ Long-grain, milled basis. ⁴ Feed use approximated by residual.

Vegetables:

	Annual			1978	1979					
	1976	1977	1978	Oct	May	June	July	Aug	Sept	Oct
Wholesale prices:										
Potatoes, white, f.o.b. East (\$/cwt.)	5.90	5.52	5.20	4.35	4.22	4.50	3.98	4.02	4.20	4.49
Iceberg lettuce (\$/ctrn.) ¹	3.57	3.23	5.10	3.60	3.03	3.24	4.02	5.49	4.18	4.26
Tomatoes (\$/ctrn.) ²	6.44	7.21	6.65	4.15	8.49	8.43	4.77	6.34	5.00	7.52
Wholesale price index, 10 canned veg. (1967=100)										
	160	170	175	186	190	190	192	192	194	192
Grower price index, fresh commercial veg. 9 (1967=100)										
	173	197	209	172	204	203	189	192	181	196

¹ Std. carton 24's, f.o.b. shipping point. ² 5 x 6-6 x 6, f.o.b. Fla.-Cal.

Fruit:

	Annual			1978	1979					
	1976	1977	1978	Oct	May	June	July	Aug	Sept	Oct
Wholesale price indexes:										
Fresh fruit (1967=100)	160.4	177.5	217.6	265.6	230.7	232.9	238.6	262.6	237.3	236.4
Dried fruit (1967=100)	234.9	338.4	355.3	472.3	577.5	578.6	578.6	572.5	557.9	412.0
Canned fruit and juice (1967=100)	174.4	190.4	213.9	222.3	237.1	238.3	239.3	240.5	245.7	248.1
Frozen fruit and juice (1967=100)	156.2	196.5	232.0	231.1	246.5	246.5	249.1	249.8	251.1	251.1
F.o.b. shipping point prices:										
Apples, Yakima Valley (\$/ctrn.) ¹	7.46	9.11	n.a.	9.19	10.26	10.25	11.88	n.a.	12.37	9.20
Pears, Yakima Valley (\$/box) ²	7.35	6.94	n.a.	8.83	16.59	n.a.	n.a.	n.a.	n.a.	10.00
Oranges, U.S. avg. (\$/box)	6.72	7.44	10.72	9.36	12.73	13.82	13.49	13.50	12.40	12.80
Grapefruit, U.S. avg. (\$/box)	5.76	6.27	6.46	8.55	9.50	13.62	15.60	15.00	11.65	9.67
Stocks, beginning										
Fresh apples (mil. lb.)	³ 2,569.3	³ 2,249.0	³ 2,138.0	1,446.1	676.4	351.1	167.7	39.2	9.3	1,824.9
Fresh pears (mil. lb.)	³ 162.3	³ 211.6	³ 162.1	464.5	22.2	5.0	n.a.	2.2	91.8	426.2
Frozen fruit (mil. lb.)	³ 558.3	³ 538.9	³ 607.8	564.4	368.7	363.6	407.5	473.5	524.3	535.3
Frozen fruit juices (mil. lb.)	³ 967.0	³ 844.1	³ 613.0	785.0	1,332.0	1,426.1	1,506.7	1,350.8	1,141.7	898.5

¹ Red Delicious, Washington extra fancy, carton tray pack, 80-125's. ² D'Anjou pears, Washington wrapped, U.S. No. 1, 90-135's. ³ Stocks as of January 1 of year listed. n.a.=not available.

Cotton:

	Marketing year ¹			1978	1979					
	1976/77	1977/78	1978/79	Oct	May	June	July	Aug	Sept	Oct
U.S. price, SLM, 1-1/16 in. (cts./lb.) ²	70.9	52.7	61.6	64.1	60.9	63.4	61.9	62.1	62.2	62.9
Northern Europe prices:										
Index (cts./lb.) ³	81.7	70.6	76.1	76.9	75.2	76.2	76.8	77.5	78.0	78.0
U.S., SM 1-1/16 in. (cts./lb.) ⁴	82.4	66.0	76.3	77.8	76.5	77.1	77.1	77.9	78.4	78.4
U.S. mill consumption (thou. bales)	6,674.4	6,462.5	6,434.8	501.7	504.1	509.4	524.1	492.3	503.8	—
Exports (thou. bales)	4,783.6	5,484.1	6,180.2	298.3	573.2	648.8	433.4	489.2	451.6	—

¹ Beginning August 1. ² Average spot market. ³ Liverpool Outlook "A" index; average of five lowest priced of 10 selected growths. ⁴ Memphis territory growths.

Sugar:

	Annual			1978	1979					
	1976	1977	1978	Oct	May	June	July	Aug	Sept	Oct
U.S. raw sugar price, N.Y. (cts./lb.) ¹	13.31	⁴ 10.99	—	—	—	—	—	—	15.72	15.93
U.S. deliveries (thou. short tons) ^{2 3}	10,856	11,207	10,849	888	890	944	919	1,099	⁵ 886	⁵ 958

¹ Spot price reported by N.Y. Coffee and Sugar Exchange. Reporting resumed in mid August 1979 after being suspended November 3, 1977. ² Raw value. ³ Excludes Hawaii. ⁴ Ten month average. ⁵ Preliminary.

Fats and oils:

	Marketing year ¹			1978	1979					
	1975/76	1976/77	1977/78	Oct	May	June	July	Aug	Sept	Oct
Soybeans:										
Wholesale price, No. 1 yellow, Chicago (\$/bu.)	5.25	7.36	6.11	647	7.16	7.67	7.49	7.17	7.04	—
Crushings (mil. bu.)	865.1	790.2	927.7	89.3	86.9	82.8	80.6	76.4	75.9	—
Processing margin (\$/bu.) ²	.16	.19	.29	41	.37	.50	.36	.51	.91	—
Exports (mil. bu.)	555.1	564.1	723.4	87.6	47.0	40.7	32.7	39.7	41.6	—
Soybean oil:										
Wholesale price, crude, Decatur (cts./lb.)	18.3	23.9	23.8	26.7	27.8	27.4	29.1	29.2	30.0	29.1
Production (mil. lb.)	9,629.8	8,577.9	10,291.4	984.3	964.7	930.5	899.9	856.7	848.9	—
Domestic disappearance (mil. lb.)	7,906.1	7,454.4	8,192.4	785.9	798.7	745.0	729.8	754.2	712.2	—
Exports (mil. lb.)	975.8	1,547.5	2,137.1	107.2	110.4	305.6	177.6	202.8	177.4	—
Stocks, beginning (mil. lb.)	560.6	1,250.6	766.6	728.6	987.3	1,043.0	922.9	915.4	815.1	774.4
Soybean meal:										
Wholesale price, 44% protein, Decatur (\$/ton)	147.77	199.80	161.87	176.80	188.00	209.60	201.60	188.90	190.83	—
Production (thou. ton)	20,754.2	18,488.1	22,398.9	2,114.7	2,065.1	1,979.3	1,900.8	1,826.6	1,823.3	—
Domestic disappearance (thou. ton)	15,551.6	14,000.8	16,287.2	1,611.3	1,639.0	1,474.6	1,333.8	1,504.9	1,350.6	—
Exports (thou. ton)	5,144.8	4,559.2	7,542.7	477.5	453.6	502.9	543.7	410.3	379.0	—
Stocks, beginning (thou. ton)	358.3	354.9	228.3	242.9	264.7	237.2	262.3	173.7	267.4	—
Margarine, wholesale price, Chicago (cts./lb.)	37.9	31.4	39.1	47.8	48.9	49.3	51.2	51.2	52.5	—

¹ Beginning September 1 for soybeans; October 1 for soy meal and oil; calendar year 1974, 1975, and 1976 for margarine. ² Spot basis, Illinois shipping points.

Tobacco:

	Annual			1978	1979					
	1976	1977	1978	Oct	May	June	July	Aug	Sept	Oct
Prices at auctions:										
Flue-cured (cts./lb.) ¹	110.4	117.6	135.0	135.8	n.a.	n.a.	127.9	139.4	144.9	138.2
Burley (cts./lb.) ²	114.2	120.0	131.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Domestic consumption³										
Cigarettes (bil.)	617.3	592.3	³ 614.5	53.4	53.2	52.4	45.8	55.8	46.6	n.a.
Large cigars (mil.)	5,328	4,943	³ 4,673	443.3	392.6	412.4	307.3	372.6	349.4	n.a.

¹ Crop year July-June for flue-cured, October-September for burley. ² Taxable removals. ³ Subject to revision.

Coffee:

	Annual			1978	1979					
	1976	1977	1978 p	Oct	May	June	July	Aug	Sept	Oct p
Composite green price, N.Y. (cts./lb.)	142.48	256.38	162.32	156.13	151.31	191.21	200.26	194.40	204.58	202.62
Imports, green bean equivalent (mil. lb.) ¹	2,717	1,974	2,448	259	209	225	215	189	227	215
	Annual			1978			1979			
	1976	1977	1978	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-June	Jul-Sep p	Oct-Dec p
Roastings (mil. lb.) ²	2,519	1,892	2,156	470	500	595	616	569	520	630

¹ Green and processed coffee. ² Instant soluble and roasted coffee. p Preliminary. * Forecast.

General Economic Data

Gross national product and related data

	Annual			1977	1978				1979		
	1976	1977	1978	IV	I	II	III	IV	I	II	III*
\$ Bil. (Quarterly data seasonally adjusted at annual rates)											
Gross national product ¹	1,702.2	1,899.5	2,127.6	1,971.3	2,011.3	2,104.2	2,159.6	2,235.2	2,292.1	2,329.8	2,395.4
Personal consumption expenditures	1,089.9	1,210.0	1,350.8	1,259.7	1,287.2	1,331.2	1,369.3	1,415.4	1,454.2	1,475.9	1,527.7
Durable goods	157.4	178.8	200.3	186.4	185.3	200.3	203.5	212.1	213.8	208.7	212.5
Nondurable goods	443.9	481.3	530.6	499.2	505.9	521.8	536.7	558.1	571.1	581.2	604.1
Clothing and shoes	75.9	82.4	91.2	87.9	85.4	89.9	92.7	96.8	95.5	96.9	100.9
Food and beverages	227.1	246.7	271.7	254.4	260.6	267.7	274.5	283.9	292.9	296.7	302.8
Services	488.5	549.8	619.8	574.1	596.0	609.1	629.1	645.1	669.3	686.0	711.2
Gross private domestic investment	243.0	303.3	351.5	316.9	327.0	352.3	356.2	370.5	373.8	395.4	393.7
Fixed investment	233.0	281.3	329.1	298.5	304.1	326.5	336.1	349.8	354.6	361.9	378.4
Nonresidential	164.9	189.4	221.1	198.6	203.7	218.8	225.9	236.1	243.4	249.1	262.0
Residential	68.1	91.9	108.0	99.9	100.5	107.7	110.2	113.7	111.2	112.9	116.4
Change in business inventories	10.0	21.9	22.3	18.5	22.8	25.8	20.0	20.6	19.1	33.4	15.3
Net exports of goods and services	8.0	-9.9	-10.3	-18.1	-22.2	-7.6	-6.8	-4.5	4.0	-8.1	-3.5
Exports	163.3	175.9	207.2	174.2	184.4	205.7	213.8	224.9	238.5	243.7	266.8
Imports	155.4	185.8	217.5	192.3	206.6	213.3	220.6	229.4	234.4	251.9	270.3
Government purchases of goods and services	361.3	396.2	435.6	412.8	419.4	428.3	440.9	453.8	460.1	466.6	477.5
Federal	129.7	144.4	152.6	151.2	150.9	148.2	152.3	159.0	163.6	161.7	162.7
State and local	231.6	251.8	283.0	261.6	268.5	280.1	288.6	294.8	296.5	304.9	314.8
1972 \$ Bil. (Quarterly data seasonally adjusted at annual rates)											
Gross national product	1,273.0	1,340.5	1,399.2	1,361.3	1,367.8	1,395.2	1,407.3	1,426.6	1,430.6	1,422.3	1,434.4
Personal consumption expenditures	820.6	861.7	900.8	880.9	882.7	894.8	905.3	920.3	921.8	915.0	925.9
Durable goods	126.6	138.2	146.7	142.4	139.3	147.8	147.5	152.1	150.2	144.8	146.3
Nondurable goods	321.5	332.7	343.3	340.0	337.3	339.4	344.7	351.9	348.1	344.1	349.0
Clothing and shoes	64.5	67.4	72.7	71.2	68.9	71.5	73.8	76.4	75.0	75.0	77.6
Food and beverages	159.9	166.5	167.1	168.7	167.8	165.5	166.6	168.6	167.2	166.6	169.2
Services	372.5	390.8	410.8	398.5	406.1	407.6	413.1	416.3	423.5	426.1	430.6
Gross private domestic investment	173.4	200.1	214.3	203.0	209.0	216.8	214.0	217.4	217.2	221.7	215.5
Fixed investment	166.8	186.9	200.2	191.7	192.5	201.2	201.8	205.5	204.8	203.5	207.6
Nonresidential	119.0	129.3	140.1	131.7	133.1	140.3	141.6	145.5	147.2	146.9	151.0
Residential	47.8	57.7	60.1	60.1	59.4	60.9	60.2	60.0	57.7	56.7	56.6
Change in business inventories	6.6	13.1	14.1	11.3	16.5	15.6	12.2	12.0	12.3	18.1	7.9
Net exports of goods and services	15.8	10.3	11.0	5.8	5.3	12.3	13.3	12.9	17.0	13.2	19.7
Exports	96.1	98.4	108.9	97.3	100.7	109.2	111.9	113.8	117.0	116.0	122.1
Imports	80.4	88.2	97.9	91.4	95.4	96.9	98.5	101.0	100.0	102.9	102.4
Government purchases of goods and services	263.3	268.5	273.2	271.5	270.7	271.3	274.7	276.0	274.7	272.4	273.3
Federal	96.4	100.6	98.6	101.8	99.9	96.6	98.5	99.3	101.1	98.1	97.8
State and local	166.9	167.9	174.6	169.8	170.9	174.7	176.2	176.6	173.6	174.3	175.6
New plant and equipment expenditures (\$ bil.)	120.49	135.80	153.09	138.11	144.25	150.76	155.41	163.96	165.94	173.48	175.29
Implicit price deflator for GNP (1972=100)	133.71	141.70	152.05	144.82	147.05	150.82	153.45	156.68	160.22	163.81	166.99
Disposable income (\$bil.)	1,184.5	1,305.1	1,458.4	1,361.2	1,395.0	1,437.3	1,476.5	1,524.8	1,572.2	1,601.7	1,639.4
Disposable income (1972 \$bil.)	891.8	929.5	972.6	951.8	956.6	966.1	976.2	991.5	996.6	993.0	993.5
Per capita disposable income (\$)	5,504	6,017	6,672	6,257	6,402	6,584	6,749	6,955	7,157	7,275	7,428
Per capita disposable income (1972 \$)	4,144	4,285	4,449	4,375	4,390	4,426	4,462	4,522	4,536	4,510	4,501
U.S. population, tot. incl. military abroad (mil.)	215.1	216.8	218.5	217.5	217.9	218.3	218.8	219.2	219.7	220.2	220.7
Civilian population (mil.)	213.0	214.7	216.4	215.4	215.8	216.2	216.6	217.1	217.6	218.1	218.6

See footnotes at end of next table.

Selected monthly indicators

	Annual			1978	1979					
	1976	1977	1978	Oct.	May	June	July	Aug.	Sept.	Oct.
Monthly data seasonally adjusted except as noted										
Industrial production, total ² (1967=100)	130.1	138.2	146.1	149.7	152.4	152.4p	152.6	151.5p	152.3	152.5
Manufacturing (1967=100)	130.3	138.4	146.8	150.7	153.8	153.9p	154.1	152.4p	153.4	153.4
Durable (1967=100)	122.3	130.0	139.7	144.7	147.6	147.6	147.2	144.2p	145.8	145.5
Nondurable (1967=100)	141.8	150.5	156.9	159.5	162.8	163.0	164.1	164.4p	164.3	164.8
Leading economic indicators ^{1,3} (1967=100)	128.8	136.4	141.9	143.6	140.1	140.6	140.1	139.8	140.1	138.8
Employment ⁴ (Mil. persons)	87.6	90.5	94.4	91.9	96.3	96.8	97.2	96.9	97.5	97.3
Unemployment rate ⁴ (%)	7.7	7.0	6.0	5.8	5.8	5.6	5.7	6.0	5.8	6.0
Personal income ¹ (\$bil. annual rate)	1,381.6	1,531.6	1,717.4	1,781.0	1,891.6	1,905.1	1,933.2	1,945.9	1,985.6p	1,975.1
Hourly earnings in manufacturing ^{4,5} (\$)	5.22	5.67	6.17	6.33	6.62	6.66	6.71	6.69	6.80	6.83
Money stock (daily average) ² (\$bil.)	⁶ 313.8	⁶ 338.7	⁶ 361.2	361.2	364.5	369.0	372.2	374.3p	377.8p	378.6
Time and savings deposits (daily average) ² (\$bil.)	⁶ 489.2	⁶ 544.4	⁶ 611.2	597.7	619.9	620.3	626.6p	634.2p	642.2p	651.1p
Three-month Treasury bill rate ² (%)	4.989	5.265	7.221	8.132	9.579	9.045	9.262	9.450	10.182p	11.472p
Aaa corporate bond yield (Moody's) ^{5,7} (%)	8.43	8.02	8.73	8.89	9.50	9.29	9.20	9.23	9.44p	10.13
Interest rate on new home mortgages ^{8,9} (%)	8.99	9.01	9.54	9.83	10.47	10.66	10.78	11.01	11.02p	11.18p
Housing starts, private (including farm) (thou.)	1,537.5	1,987.1	2,020.3	2,054	1,835	1,923	1,788	1,806p	1,911p	17.60
Auto sales at retail, total ¹ (mil.)	10.1	11.2	11.3	11.2	11.1	9.4	10.5	11.0p	10.8p	9.4p
Business sales, total ¹ (\$bil.)	200.8	225.1	254.7	266.7	287.1	283.4	288.6p	292.7p	297.1	—
Business inventories, total ¹ (\$bil.)	309.2	337.8	379.4	372.4	401.5	406.0	413.8p	417.2p	417.3	—
Sales of all retail stores (\$bil.) ⁹	54.6	60.3	66.6	69.0	71.9	71.8	72.3p	74.8	76.7p	75.5p
Durable goods stores (\$bil.)	18.1	20.7	23.2	24.4	24.9	24.3	24.4	25.9	26.9p	25.7p
Nondurable goods stores (\$bil.)	36.5	39.1	43.4	44.5	47.2	47.5	47.9	48.8	49.9	49.8p
Food stores (\$bil.)	12.3	13.2	14.5	14.9	15.9	16.3	16.2p	16.1	16.7p	16.6p
Eating and drinking places (\$bil.)	4.8	5.3	5.8	6.0	6.1	6.1	6.2	6.3	6.4p	6.6p
Apparel and accessory stores (\$bil.)	2.7	2.9	3.1	3.3	3.4	3.3	3.5	3.6	3.5p	3.4p

¹ Department of Commerce. ² Board of Governors of the Federal Reserve System. ³ Composite index of 12 leading indicators. ⁴ Department of Labor, Bureau of Labor Statistics. ⁵ Not seasonally adjusted. ⁶ December of the year listed. ⁷ Moody's Investors Service. ⁸ Federal Home Loan Bank Board. ⁹ Adjusted for seasonal variations, holidays, and trading day differences. p. Preliminary.

U.S. Agricultural Trade

Prices of principal U.S. agricultural trade products

	Annual			1978	1979					
	1976	1977	1978	Oct.	May	June	July	Aug.	Sept.	Oct.
Export commodities:										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	3.65	2.85	3.56	3.81	3.98	4.55	4.86	4.71	4.86	4.97
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	2.91	2.49	2.66	2.50	2.93	3.13	3.39	3.10	3.06	3.15
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	2.73	2.30	2.48	2.44	2.64	2.81	3.30	2.92	2.91	3.07
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	6.07	7.38	7.04	7.15	7.63	8.09	8.18	7.74	7.79	6.94
Soybean oil, Decatur (cts./lb.)	18.05	23.69	25.79	27.17	27.80	27.41	29.07	29.21	29.89	27.35
Soybean meal, Decatur (\$/ton)	155.82	192.17	170.71	176.80	188.00	209.60	201.68	188.98	188.60	—
Cotton, 10 market avg. spot (cts./lb.)	67.70	60.48	58.31	64.08	60.90	63.38	61.87	62.08	62.15	62.88
Tobacco, avg. price of auction (cts./lb.)	105.73	114.24	121.74	127.30	131.20	131.20	127.10	132.80	136.40	131.4
Rice, f.o.b. mill, Houston (\$/cwt.)	16.17	16.96	20.61	16.60	21.00	21.00	21.00	21.10	21.25	22.30
Inedible tallow, Chicago (cts./lb.)	14.98	17.13	19.74	17.30	26.12	23.28	25.33	23.88	24.56	—
Import commodities:										
Coffee, N.Y. spot (cts./lb.)	1.42	2.41	1.66	1.55	1.50	1.86	2.03	1.96	2.09	2.08
Sugar, N.Y. spot (cts./lb.)	13.31	10.99	13.92	14.40	14.33	14.61	15.58	15.92	15.98	16.92
Cow meat, f.o.b. Port of entry (cts./lb.)	71.69	68.42	97.17	101.80	136.43	124.30	113.32	116.78	130.94	129.70
Rubber, N.Y. spot (cts./lb.)	39.59	41.59	50.19	55.05	65.66	67.88	66.57	64.90	65.39	67.94
Cocoa beans, N.Y. (\$/lb.)94	1.72	1.53	1.69	1.47	1.52	1.40	1.36	1.41	1.35
Bananas, f.o.b. Port of entry (\$/40 lb. box)	4.67	5.01	5.20	4.58	6.66	6.86	6.08	5.41	5.48	5.58
Canned Danish hams, ex-warehouse N.Y. (\$/lb.)	1.75	1.85	2.02	1.99	2.09	2.00	2.00	2.00	1.90	1.90

n.a. = not available.

U.S. agricultural exports

	October-September				September			
	1977/78	1978/79	1977/78	1978/79	1978	1979	1978	1979
	Thous. units		\$ Thou.		Thous. units		\$ Thou.	
Animals, live, excluding poultry	—	—	137,501	160,007	—	—	17,423	11,825
Meat and preps., excluding poultry (mt) . .	406	393	687,603	844,111	42	34	73,046	76,253
Dairy products, excluding eggs	—	—	155,799	116,128	—	—	10,307	10,393
Poultry and poultry products	—	—	331,763	368,130	—	—	29,203	32,604
Grains and preparations	—	—	10,905,343	12,608,976	—	—	1,046,191	1,374,540
Wheat and wheat flour (mt)	32,834	32,217	4,071,873	4,775,293	3,357	3,634	446,961	622,817
Rice, milled (mt)	1,828	2,004	744,506	780,742	217	135	85,092	54,257
Feed grains, excluding products (mt) . .	55,545	59,499	5,695,248	6,656,951	4,747	5,364	477,426	665,084
Other	—	—	393,716	395,990	—	—	36,712	32,382
Fruits, nuts, and preparations	—	—	1,264,184	1,491,017	—	—	113,005	154,536
Vegetables and preparations	—	—	648,908	756,241	—	—	49,587	49,569
Sugar & preps., including honey (mt) . . .	—	—	70,486	85,467	—	—	6,149	9,798
Coffee, tea, cocoa, spices, etc. . . (mt) . .	58	73	183,428	261,662	6	6	20,163	20,275
Feeds and fodders	—	—	1,750,864	2,188,349	—	—	143,083	152,184
Protein meal (mt)	5,840	6,330	1,176,025	1,414,638	423	365	87,460	86,287
Beverages, excl. distilled alcohol	967	719	34,759	27,769	90	42	3,164	1,761
Tobacco, unmanufactured (mt)	272	287	1,131,794	1,292,243	19	14	79,722	63,346
Hides, skins, and furskins	—	—	823,625	1,302,667	—	—	62,834	85,379
Oilseeds	—	—	5,264,174	5,994,234	—	—	287,082	329,798
Soybeans (mt)	19,686	20,194	4,749,049	5,444,382	1,033	1,112	262,443	313,687
Wool, unmanufactured (mt)	4	3	30,583	34,363	(¹)	(¹)	3	3
Cotton, unmanufactured (mt)	1,378	1,395	1,706,935	1,909,043	94	102	115,371	137,198
Fats, oils, and greases (mt)	1,315	1,310	573,797	704,788	115	119	55,983	69,255
Vegetable oils and waxes	1,532	1,563	957,372	1,092,993	156	120	104,692	92,899
Rubber and allied gums	13	17	16,447	19,020	1	1	1,236	1,863
Other	—	—	630,838	725,633	—	—	49,792	61,209
Total	—	—	27,306,203	31,982,841	—	—	2,268,036	2,734,688

¹ Less than 500.

U.S. agricultural exports by regions

Region ¹	October-September		September		Change from year-earlier	
	1977/78	1978/79	1978	1979	October-September 1978/79	September 1979
			\$ Mil.			PCT.
Western Europe	8,488	9,418	625	716	+11	+15
Enlarged European Community	6,652	7,381	508	545	+11	+7
Other Western Europe	1,835	2,037	117	172	+11	+47
Eastern Europe and USSR	2,789	3,503	128	387	+26	+202
Eastern Europe	992	1,435	75	142	+45	+89
USSR	1,797	2,068	53	245	+15	+362
Asia	9,379	11,596	893	882	+24	-1
West Asia	1,295	1,464	127	134	+13	+6
South Asia	655	653	117	69	—	-41
China, mainland	352	884	48	53	+151	+10
Japan	4,159	5,061	341	388	+22	+14
Korea	1,055	1,387	96	74	+31	-23
Taiwan	729	977	71	57	+34	-20
Other East and Southeast Asia	1,134	1,170	93	107	+3	+15
Latin America and Caribbean	2,757	3,372	287	369	+22	+29
Brazil	412	445	26	65	+8	+150
Mexico	735	972	104	112	+32	+8
Caribbean	457	558	37	57	+22	+54
Central America	236	251	13	23	+6	+77
Canada, excluding transshipments	1,567	1,677	137	151	+7	+10
Canadian transshipments	617	741	53	88	+20	+66
Africa	1,560	1,513	134	126	-3	-6
North Africa	911	816	62	64	-10	+3
Other Africa	648	697	72	62	+8	-14
Oceania	150	162	12	15	+8	+25
Total ²	27,307	31,983	2,268	2,735	+17	+21

¹ Not adjusted for transshipments. ² Totals may not add due to rounding.

U.S. agricultural imports

	October-September				September			
	1977/78	1978/79	1977/78	1978/79	1978	1979	1978	1979
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, Live, excl. poultry	—	—	314,778	355,679	—	—	18,313	22,129
Meat and preparations, excl. poultry (mt)	872	1,007	1,596,676	2,475,623	83	64	158,157	156,684
Beef and veal	699	807	1,083,245	1,892,906	69	50	118,368	119,096
Pork	144	164	455,610	499,188	10	11	32,791	30,928
Dairy products, excluding eggs	—	—	324,329	388,218	—	—	28,117	33,097
Poultry and poultry products	—	—	88,092	46,253	—	—	3,543	2,860
Grains and preparations	—	—	190,411	225,708	—	—	16,743	18,473
Wheat and flour (mt)	(¹)	2	187	545	(¹)	(¹)	3	58
Rice	2	2	1,074	1,429	(¹)	(¹)	83	37
Feed grains	175	193	19,635	23,005	3	6	408	836
Other	—	—	169,515	200,729	—	—	16,249	17,542
Fruits, nuts, and preparations	—	—	1,026,523	1,283,744	—	—	99,282	87,444
Bananas (mt)	2,236	2,320	336,498	378,130	179	176	29,583	29,469
Vegetables and preparations	—	—	767,866	778,296	—	—	37,426	36,752
Sugar and Preparations, Incl. honey	—	—	1,046,862	1,089,241	—	—	109,931	85,997
Sugar, cane or beet (mt)	4,401	4,245	880,775	851,621	506	329	97,153	69,929
Coffee, tea, cocoa, spices, etc.	1,476	1,759	5,260,679	5,529,222	112	136	345,292	476,331
Coffee, green	951	1,193	3,465,353	3,643,844	80	98	238,572	357,451
Cocoa beans	176	195	571,342	646,427	7	6	22,969	17,555
Feeds and fodders	—	—	67,012	78,316	—	—	5,921	6,055
Protein meal (mt)	9	18	1,761	3,144	11	1	28	176
Beverages, excl. distilled alcohol	6,891	8,320	710,035	912,081	702	690	72,876	77,913
Tobacco, unmanufactured (mt)	151	165	371,459	399,174	12	15	30,343	34,854
Hides, skins, and furskins	—	—	240,874	315,631	—	—	16,444	20,041
Oilseeds	—	—	48,532	57,910	—	—	3,228	3,573
Soybeans (mt)	(¹)	1	45	47	(¹)	0	2	0
Wool, unmanufactured	25	25	71,372	75,565	2	1	5,544	4,560
Cotton, unmanufactured	15	16	6,052	6,898	2	1	569	374
Fats, oils, and greases	9	10	5,735	6,874	1	1	824	737
Vegetable oils and waxes	846	745	457,803	607,295	42	55	28,577	55,463
Rubber and allied gums	781	798	671,781	886,503	78	60	72,771	77,316
Other	—	—	612,260	659,751	—	—	61,347	62,024
Total	—	—	13,879,131	16,177,332	—	—	1,115,248	1,262,677

¹ Less than 500,000. Note: 1 metric ton (mt) = 2,204.622 lb; 1 hectoliter (hl) = 100 liters = 26.42008 gal.

Trade balance

	October-September		September	
	1977/78	1978/79	1978	1979
\$ Mil.				
Agricultural exports	27,304	31,983	2,267	2,735
Nonagricultural exports	104,204	135,501	10,237	11,931
Total exports	131,508	167,484	12,504	14,666
Agricultural imports	13,885	16,184	1,116	1,264
Nonagricultural imports	152,426	178,471	13,428	16,853
Total imports	166,311	194,655	14,544	18,117
Agricultural trade balance	13,419	15,799	1,151	1,471
Nonagricultural trade balance	-48,222	-42,970	-3,191	-4,922
Total trade balance	-34,803	-27,171	-2,040	-3,451

World Agricultural Production

World supply and utilization of major crops

	1974/75	1975/76	1976/77	1977/78	1978/79	1979/80 ¹
	Mil. units					
Wheat:						
Area (hectare)	219.9	225.3	232.4	225.8	226.6	228.0
Production (metric ton)	357.2	350.4	415.1	382.8	438.8	400.6
Exports (metric ton)	68.4	73.2	68.5	79.7	77.6	84.9
Consumption (metric ton) ² . .	359.1	351.9	378.0	400.5	415.3	419.5
Ending stocks (metric ton) ³ .	63.7	62.2	99.3	81.6	105.1	86.3
Coarse grains:						
Area (hectare)	342.3	349.8	352.2	349.5	347.5	351.4
Production (metric ton)	627.9	645.0	702.6	703.7	750.6	735.2
Exports (metric ton)	69.5	84.7	88.0	91.5	97.7	108.8
Consumption (metric ton) ² . .	632.6	643.8	682.7	693.4	743.3	745.0
Ending stocks (metric ton) ³ .	55.8	57.0	76.9	87.2	94.5	84.7
Rice, rough:						
Area (hectare)	132.6	142.5	141.2	143.6	144.6	141.2
Production (metric ton)	325.5	360.1	349.8	371.2	386.0	373.2
Exports (metric ton) ⁴	10.8	15.1	16.9	13.9	17.8	16.7
Consumption (metric ton) ² . .	328.2	348.9	351.8	363.9	379.9	375.7
Ending stocks (metric ton) ³ .	16.4	27.6	25.6	32.8	38.7	36.2
Total grains:						
Area (hectare)	694.8	717.6	725.8	718.9	718.7	720.6
Production (metric ton)	1,310.6	1,355.5	1,467.5	1,457.7	1,575.4	1,509.0
Exports (metric ton)	148.7	173.0	173.4	185.1	193.3	210.4
Consumption (metric ton) ² . .	1,319.9	1,344.6	1,412.5	1,457.8	1,538.5	1,540.2
Ending stocks (metric ton) ³ .	135.9	146.8	201.8	201.6	238.3	207.2
Oilseeds and meals:^{4, 5}						
Production (metric ton)	65.3	73.9	67.4	79.7	85.2	96.5
Trade (metric ton)	27.6	32.5	33.6	38.8	40.6	44.5
Fats and oils:⁵						
Production (metric ton)	46.2	49.7	48.0	52.9	54.8	58.5
Trade (metric ton)	13.8	15.8	16.4	18.1	19.2	20.5
Cotton:						
Area (hectare)	33.4	29.8	30.4	32.7	32.0	32.1
Production (bale)	64.3	54.0	57.4	63.9	59.8	63.8
Exports (bale)	17.4	19.1	17.6	19.1	19.5	19.9
Consumption (bale)	58.7	61.2	60.9	61.2	62.8	63.1
Ending stocks (bale)	30.9	24.0	20.7	24.0	21.6	22.6

¹ Forecast. ² Where stock data not available (excluding USSR), consumption includes stock changes. ³ Stocks data are based on differing marketing years and do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. ⁴ Soybean meal equivalent.

⁵ Calendar year data. 1975 data corresponds with 1974/75. 1976 data with 1975/76, etc.

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